

# Pinnacle Investments

Submission Checklist (updated 11/22/00)

### Payor Information

1003 or equivalent loan application

Credit report with FICO or Empirica Score Score \_\_\_\_\_

Name: _____
Property address: _____

~~Source of Borrower's Drivers License and Social Security card~~

V.O.E. and V.O.R.

Borrower Signature Authorization

Payor Phone numbers (H) (\_\_\_\_) (\_\_\_\_) (W) (\_\_\_\_) (\_\_\_\_)

Verification of down payment (copies of check, money order, etc.)

Copy of current Hazard Insurance (Verified on \_\_\_\_/\_\_\_\_/\_\_\_\_ by \_\_\_\_)

HUD Closing Statement (if New Deal)

Truth-in-lending Statement (if New Deal)

SP ✓  
 source ✓  
 signature ✓  
 phone ✓  
 hazard ✓  
 HUD ✓  
 TIL ✓

### Note Information

Copy of Note (along with any and all modifications)

Copy of Recorded Mortgage / Deed of Trust

Warranty Deed

2 COLOR copies of original appraisal (National Appraisal Company)  
Amount \$ \_\_\_\_\_ Date \_\_\_\_\_ SQ Ft \_\_\_\_\_

~~Payment History (copies of checks, money orders, etc.)~~

note ✓  
 mortgage ✓  
 deed ✓  
 appraisal ✓  
 source ✓  
 VC ✓  
 VC ✓  
 VC ✓

Title Commitment/ Title Policy - **FEE SIMPLE** with Troy Fullwood d.b.a. Pinnacle Investments, it's successors and/ or assigns as mortgagee Date \_\_\_\_\_

Tax Certificates or Service (Collector information and address) Year \_\_\_\_\_

Wiring Instructions to closing agent

### Closing Documents

Assignment Documents (responsible party \_\_\_\_\_)  
Pinnacle -\$150 Underwriting fee

Servicing Transfer letter (to be signed at closing)

Balance Verification (letter from seller)

Payor Interview (Pinnacle only)

Amortization Schedule (Balance at Closing \$ \_\_\_\_\_)

assignment ✓  
 servicing ✓  
 balance ✓  
 payor ✓  
 amortization ✓

Date of Note \_\_\_\_\_  
 Sales Price \_\_\_\_\_  
 Note amount \_\_\_\_\_  
 1st Payment Due \_\_\_\_\_  
 Interest Rate \_\_\_\_\_  
 Down Payment \_\_\_\_\_  
 P & I \_\_\_\_\_

Underwriter Notes:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Pinnacle Investm<sup>ts</sup>

LO Submission Checklist (updated 1-1-2700)

### Payor Information

- 1003 or equivalent loan application
- Credit report with FICO or Empirica Score None
- Copy of Borrower(s) Drivers License and Social Security Card
- V.O.E. and V.O.R. - Doesn't have Drivers name or anythng (254) 757-2551
- Borrower Signature Authorization
- Payor Phone numbers (H) [redacted] (W) [redacted]
- Verification of down payment (copies of check, money order, etc.) - copy of record \$1500
- Copy of current Hazard Insurance (Verified on \_\_\_/\_\_\_/\_\_\_ by \_\_\_) 300
- HUD Closing Statement (if New Deal)
- Truth-in-lending Statement (if New Deal)

Name: Contender  
 Property address: 3123 Look

### Note Information

- Copy of Note (along with any and all modifications)
- Copy of Recorded Mortgage / Deed of Trust
- Warranty Deed
- 2 **COLOR** copies of original appraisal (**National Appraisal Company**)  
Amount \$ 50500 Date 3/9/01 SQ Ft 1487
- Payment History (copies of checks, money orders, etc.)
- Title Commitment/ Title Policy - **FREE SIMPLE** with Troy Fulwood d.b.a. Pinnacle Investments. it's successors and/or assigns as mortgage Date \_\_\_\_\_
- Tax Certificates or Service (Collector information and address) Year \_\_\_\_\_
- Wiring Instructions to closing agent

### Closing Documents

- Assignment Documents (responsible party WJL  
Pinnacle = \$150 Underwriting fee WJL 6/11 pmf
- Servicing Transfer letter (to be signed at closing) Need 6/11 pmf
- Balance Verification (letter from seller) unexecuted
- Payor Interview (Pinnacle only)
- Amortization Schedule (Balance at Closing \$ \_\_\_\_\_)

Date of Note 5.1.01  
 Sales Price \$51,000  
 Note amount \$48,450.00  
 1<sup>st</sup> Payment Due 6.15.01  
 Interest Rate 11.5  
 Down Payment \$2,550.00  
 P & I \$79.80

Underwriter Notes:

SSI = \$530/month  
Sales price \$500 higher than appraisal

**Loan Amortization Schedule**  
Loan Amortized at 11 1/2%

Date	Payment Number	Payment Amount	Principal	Interest	Principal Balance
					48,450.00
					Opening Balance
6/1/01	1	479.80	15.49	464.31	48,434.51
7/1/01	2	479.80	15.64	464.16	48,418.87
8/1/01	3	479.80	15.79	464.01	48,403.08
9/1/01	4	479.80	15.94	463.86	48,387.14
10/1/01	5	479.80	16.09	463.71	48,371.05
11/1/01	6	479.80	16.24	463.56	48,354.81
12/1/01	7	479.80	16.40	463.40	48,338.41
1/1/02	8	479.80	16.56	463.24	48,321.85
2/1/02	9	479.80	16.72	463.08	48,305.13
3/1/02	10	479.80	16.88	462.92	48,288.25
4/1/02	11	479.80	17.04	462.76	48,271.21
5/1/02	12	479.80	17.20	462.60	48,254.01
6/1/02	13	479.80	17.37	462.43	48,236.64
7/1/02	14	479.80	17.53	462.27	48,219.11
8/1/02	15	479.80	17.70	462.10	48,201.41
9/1/02	16	479.80	17.87	461.93	48,183.54
10/1/02	17	479.80	18.04	461.76	48,165.50
11/1/02	18	479.80	18.21	461.59	48,147.29
12/1/02	19	479.80	18.39	461.41	48,128.90
1/1/03	20	479.80	18.56	461.24	48,110.34
2/1/03	21	479.80	18.74	461.06	48,091.60
3/1/03	22	479.80	18.92	460.88	48,072.68
4/1/03	23	479.80	19.10	460.70	48,053.58
5/1/03	24	479.80	19.29	460.51	48,034.29
6/1/03	25	479.80	19.47	460.33	48,014.82
7/1/03	26	479.80	19.66	460.14	47,995.16
8/1/03	27	479.80	19.85	459.95	47,975.31
9/1/03	28	479.80	20.04	459.76	47,955.27
10/1/03	29	479.80	20.23	459.57	47,935.04
11/1/03	30	479.80	20.42	459.38	47,914.62
12/1/03	31	479.80	20.62	459.18	47,894.00
1/1/04	32	479.80	20.82	458.98	47,873.18
3/1/04	33	479.80	21.02	458.78	47,852.16
4/1/04	34	479.80	21.22	458.58	47,830.94
5/1/04	35	479.80	21.42	458.38	47,809.52
6/1/04	36	479.80	21.63	458.17	47,787.89
7/1/04	37	479.80	21.83	457.97	47,766.06
8/1/04	38	479.80	22.04	457.76	47,744.02
9/1/04	39	479.80	22.25	457.55	47,721.77
10/1/04	40	479.80	22.47	457.33	47,699.30
11/1/04	41	479.80	22.68	457.12	47,676.62
1/1/05	42	479.80	22.90	456.90	47,653.72
3/1/05	43	479.80	23.12	456.68	47,630.60
4/1/05	44	479.80	23.34	456.46	47,607.26
5/1/05	45	479.80	23.56	456.24	47,583.70
6/1/05	46	479.80	23.79	456.01	47,559.91
7/1/05	47	479.80	24.02	455.78	47,535.89
8/1/05	48	479.80	24.25	455.55	47,511.64
9/1/05	49	479.80	24.48	455.32	47,487.16
10/1/05	50	479.80	24.71	455.09	47,462.45
11/1/05	51	479.80	24.95	454.85	47,437.50
1/1/06	52	479.80	25.19	454.61	47,412.31
3/1/06	53	479.80	25.43	454.37	47,386.88
4/1/06	54	479.80	25.68	454.12	47,361.20
5/1/06	55	479.80	25.92	453.88	47,335.28
6/1/06	56	479.80	26.17	453.63	47,309.11
7/1/06	57	479.80	26.42	453.38	47,282.69
8/1/06	58	479.80	26.67	453.13	47,256.02

The undersigned authority hereby certifies that this is a true and correct copy of the original.

HOMER ABSTRACT AND TITLE CO.  
BY: \_\_\_\_\_

CONTRERAS  
3123 Lasker  
228/41

### REAL ESTATE LIEN NOTE

**Date:** May 1, 2001

**Borrower:** NORA CONTRERAS and CHRIS CONTRERAS, JR.

**Borrower's Mailing Address:** 3123 Lasker, Waco, McLennan County, Texas 76707

**Lender:** TEPECORP, INC., a Texas corporation

**Place for Payment:** Post Office Box 8983, Waco, McLennan County, Texas 76714

**Principal Amount:** FORTY EIGHT THOUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS (\$48,450.00)

**Annual Interest Rate:** ELEVEN AND ONE HALF PERCENT (11.50%)

**Maturity Date:** May 1, 2031

**Annual Interest Rate on Matured, Unpaid Amounts:** Maximum Legal Rate

**Terms of Payment (principal and interest):** The Principal Amount and interest are due and payable in equal monthly installments of FOUR HUNDRED SEVENTY NINE AND 80/100 DOLLARS (\$479.80), on the first (1<sup>st</sup>) day of each month, beginning June 1<sup>st</sup>, 2001, and continuing until the unpaid principal and accrued, unpaid interest have been paid in full. Payments will be applied first to accrued interest and the remainder to reduction of the Principal Amount.

The lien securing this note is subordinate to the lien securing payment of the unpaid balance of a prior note executed by TEPECORP, INC., a Texas corporation, described in and secured by a deed of trust in favor of SOUTHRUST BANK, N.A., recorded under Clerk's File No. 2001008831, of the Official Public Records of McLennan County, Texas. Borrower has not assumed payment of that prior note, but Lender is obligated to pay it according to its terms. If Lender defaults in payment of the prior note, Borrower has the right to cure the default and receive credit on this note. The subordinate lien securing this note is also provided for in the warranty deed with vendor's lien and deed of trust described above, which this note incorporates and is subject to.

If Payee has not received the full amount of any payment by the end of fifteen (15) calendar days after the date it is due, Maker will promptly pay a late charge to the Payee in the amount of five percent (5.00%) of the overdue principal and interest.

**Security for Payment:** This note is secured by a vendor's lien and superior title retained in a deed from TEPECORP, INC., a Texas corporation to Borrower dated May 1, 2001, and by a deed of trust of even date from Borrower to WALT FAIR, trustee, both of which cover the following real property:

BEING Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. After maturity, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Matured, Unpaid Amounts.

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance and earned interest on the note immediately due. Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this note is placed in the hands of an attorney to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the note and will be secured by any security for payment.

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Each Borrower is responsible for all obligations represented by this note.

When the context requires, singular nouns and pronouns include the plural.

**THIS REAL ESTATE LIEN NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN BORROWER AND LENDER AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF BORROWER AND LENDER.**

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN BORROWER AND LENDER.

*Nora Contreras 5-10-01*  
NORA CONTRERAS

*Chris (Chin) Contreras Jr. 5-10-01*  
CHRIS CONTRERAS, JR.

**ORIGINAL**

PROMISSORY NOTE ENDORSEMENT

PAY TO THE ORDER OF Troy D. Fullwood d/b/a Pinnacle Investments., with six (6) month re-course.

This endorsement is intended to be permanently attached to the original promissory note dated May 1, 2001 executed by Nora Contreras and Chris Contreras, Jr. borrower(s), given in the original sum of \$48,450.00 and secured by a Deed of Trust, in Volume Page of Official Records in the Clerk's Office of McLennan County, State of Texas. Clerk's File No. 200106367

Dated this 04 day of June, 2001



Mike Tepe  
Tepecorp, Inc.

0981628

CONTRERAS  
3123 Lasker  
228/41

**DEED OF TRUST  
Terms**

 **ORIGINAL**

**Date:** May 1, 2001

**Grantor:** NORA CONTRERAS and CHRIS CONTRERAS, JR.

**Grantor's Mailing Address:** 3123 Lasker, Waco, McLennan County, Texas 76707

**Trustee:** WALT FAIR

**Trustee's Mailing Address:** 1508 North Valley Mills Drive, Waco, McLennan County, Texas 76710-4462

**Lender:** TEPECORP, INC., a Texas corporation

**Lender's Mailing Address:** Post Office Box 8983, Waco, McLennan County, Texas 76714

**Note**

**Date:** May 1, 2001

**Original principal amount:** FORTY EIGHT THOUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS (\$48,450.00)

**Borrower:** NORA CONTRERAS and CHRIS CONTRERAS, JR.

**Lender:** TEPECORP, INC., a Texas corporation

**Maturity date:** As therein provided

**Property (including any improvements):** BEING Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

**Prior Lien:** Deed of Trust in favor of SOUTHTRUST BANK, N.A., recorded under Clerk's File No. 2001008831, of the Official Public Records of McLennan County, Texas.

**Other Exceptions to Conveyance and Warranty:**

For value received and to secure payment of the Note, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the



Other Exceptions to Conveyance and Warranty. On payment of the Note and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

### Clauses and Covenants

#### A. Grantor's Obligations

Grantor agrees to:

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Lender, an insurance policy that:
  - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Lender approves a smaller amount in writing;
  - b. contains an 80 percent coinsurance clause;
  - c. provides fire and extended coverage, including windstorm coverage;
  - d. protects Lender with a standard mortgage clause;
  - e. provides flood insurance at any time the Property is in a flood hazard area;
  - f. contains such other coverage as Lender may reasonably require;
5. comply at all times with the requirements of the 80 percent coinsurance clause;
6. deliver the insurance policy to Lender within ten days of the date of this deed of trust and deliver renewals to Lender at least fifteen days before expiration;
7. obey all laws, ordinances, and restrictive covenants applicable to the Property;
8. keep any buildings occupied as required by the insurance policy; and
9. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments.

#### B. Lender's Rights

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the Note are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.
3. Lender may apply any proceeds received under the insurance policy either to reduce the Note or to repair or replace damaged or destroyed improvements covered by the policy. If the Property is Grantor's primary residence and Lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the insurance proceeds available to Grantor for repairs.
4. Notwithstanding note terms to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor under the Note or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to

amounts due and payable to Lender under the Note, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

6. If there is a default on the Note or if Grantor fails to perform any of Grantor's obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may:

a. declare the unpaid principal balance and earned interest on the Note immediately due;

b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and

c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Note.

7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

### **C. Trustee's Rights and Duties**

If directed by Lender to foreclose this lien, Trustee will:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;

2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

3. from the proceeds of the sale, pay, in this order:

a. expenses of foreclosure, including a reasonable commission to Trustee;

b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;

c. any amounts required by law to be paid before payment to Grantor; and

d. to Grantor, any balance; and

4. be indemnified by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

### **D. General Provisions**

1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any trustee's deed conveying the Property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the Property is released.
5. If any portion of the Note cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.
6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Note. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.
7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default under the Note or this deed of trust. Grantor will apply all rent and other income and receipts to payments of the Note and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due under the Note and deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Note or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations under the Note and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantor becomes a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.
8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.
9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.
10. When the context requires, singular nouns and pronouns include the plural.
11. The term *Note* includes all extensions and renewals of the Note and all amounts secured by this deed of trust.

12. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.
13. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.
14. Grantor and each surety, endorser, and guarantor of the Note waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.
15. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.
16. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
17. Grantor represents that this deed of trust and the Note are given for the following purposes: The debt evidenced by the Note is in part payment of the purchase price of the Property; the debt is secured both by this deed of trust and by a vendor's lien on the Property, which is expressly retained in favor of Lender in a deed to Grantor of even date. This deed of trust does not waive the vendor's lien, and the two liens and the rights created by this deed of trust are cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both.
18. If Grantor transfers any part of the Property without Lender's prior written consent, Lender may declare the debt secured by this deed of trust immediately payable and invoke any remedies provided in this deed of trust for default. If the Property is residential real property containing fewer than five dwelling units or a residential manufactured home occupied by Grantor, exceptions to this provision are limited to (a) a subordinate lien or encumbrance that does not transfer rights of occupancy of the Property; (b) creation of a purchase-money security interest for household appliances; (c) transfer by devise, descent, or operation of law on the death of a co-Grantor; (d) grant of a leasehold interest of three years or less without an option to purchase; (e) transfer to a spouse or children of Grantor or between co-Grantors; (f) transfer to a relative of Grantor on Grantor's death; and (g) transfer to an inter vivos trust in which Grantor is and remains a beneficiary and occupant of the Property.
19. Grantor agrees to furnish on Lender's request evidence satisfactory to Lender that all taxes and assessments on the Property have been paid when due.
20. The lien created by this deed of trust is subordinate to the lien securing the unpaid balance of a prior promissory note, which is described in and secured by a deed of trust in favor of SOUTHRUST BANK, N.A., recorded under Clerk's File No. 2001008831, of the Official Public Records of McLennan County, Texas. Grantor has not assumed payment of the prior note, but Lender is obligated to pay it according to its terms. Lender agrees to timely pay all installment payments due on the prior note and to deliver to Grantor a good and sufficient release of the prior deed of trust at or before the time Grantor pays the Note secured by this deed of trust to Lender. The warranty deed with vendor's lien referred to above provides that in the event of default in payment of the prior note, Grantor will have the right to cure any such default as long as Grantor is not in default in payment of the Note secured by this deed of trust or in default in performance of the covenants of this deed of trust. If Grantor cures a default in payment of the prior note, Grantor may receive credit on the Note secured by this deed of trust for all amounts

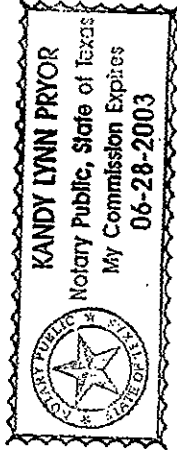
so paid as of the date of the payment, in accordance with the terms of the Note.

*Nora Contreras 5-10-01*  
NORA CONTRERAS

*Chris (Chair) Contreras 5-10-01*  
CHRIS CONTRERAS, JR.

THE STATE OF TEXAS  
COUNTY OF McLENNAN

This instrument was acknowledged before me on May 1, 2001, by NORA CONTRERAS and CHRIS CONTRERAS, JR.



*Kandy Lynn Pryor*  
NOTARY PUBLIC, STATE OF TEXAS

After recording, return to:  
TEPECORY, INC.  
P. O. Box 8983  
Waco, Texas 76714

HOME ABSTRACT & TITLE CO.  
1508 N. VALLEY MILLS DR.  
WACO, TEXAS 76710

*Attest My Hand*

FILED AND RETURNED  
OFFICIAL PUBLIC RECORDS

*J.A. "Andy" Harwell*

2001 MAY 30 02:20 PM 2001016362

INGE \$19.00

J.A. "ANDY" HARWELL, COUNTY CLERK  
MCLENNAN COUNTY, TEXAS

CONTRERAS  
3123 Lasker  
228/41

**WARRANTY DEED WITH VENDOR'S LIEN**

(This deed was prepared without Title examination at the request of Grantor/Grantee)

**Date:** May 1, 2001

**Grantor:** TEPECORP, INC., a Texas corporation

**Grantee:** NORA CONTRERAS and CHRIS CONTRERAS, JR.

**Grantee's Mailing Address:** 3123 Lasker, Waco, McLennan County, Texas 76707

**Consideration:**

Cash and a wraparound note ("Wraparound Lien Debt") of even date in the principal amount of FORTY EIGHT THOUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS (\$48,450.00) executed by Grantee, payable to the order of Grantor. The note is secured by a vendor's lien retained in this deed and by a deed of trust of even date from Grantee to WALT FAIR, Trustee (collectively, the "Wraparound Lien").

This conveyance is made subject to the prior lien ("Underlying Lien") of a deed of trust in favor of SOUTHRUST BANK, N.A., recorded under Clerk's File No. 2001008831, of the Official Public Records of McLennan County, Texas, which secures payment of a promissory note. Grantee in this deed does not assume payment of that Underlying Lien Debt. As further consideration Grantor promises to keep and perform all the covenants and obligations of the grantor named in the Underlying Lien deed of trust and to indemnify, defend, and hold Grantee harmless against any damages caused by Grantor's breach of its obligations under the Underlying Lien Debt and related documents, as long as Grantee is not in default on the Wraparound Lien Debt and documents relating to it.

**Property (including any improvements):**

BEING Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

**Reservations from Conveyance:** None.

**Exceptions to Conveyance and Warranty:**

Liens described as part of the Consideration and any other liens described in this deed as being either assumed or subject to which title is taken, validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases,

mineral interests outstanding in persons other than Grantor, and other instruments, other than conveyances of the surface fee estate, that affect the Property, validly existing rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; and taxes for the current year, which Grantee assumes, but not subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantor assumes.

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by Grantor that the Property has a particular financial value or is fit for a particular purpose. Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Grantee's examination of the Property. Grantee takes the Property with the express understanding and stipulation that there are no express or implied warranties except for limited warranties of title set forth in this deed.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

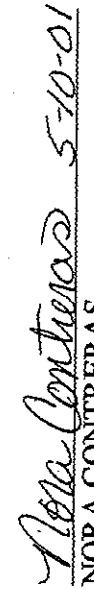
When the context requires, singular nouns and pronouns include the plural.

The vendor's lien against and superior title to the property are retained until each note described is fully paid according to its terms, at which time this deed shall become absolute.

TEPECORP, INC., a Texas corporation

  
DAVID M. TEPE  
President

ACCEPTED:

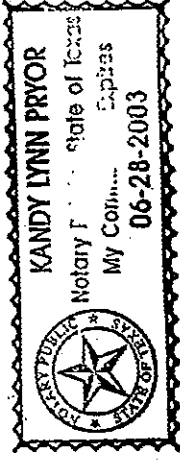
  
NORA CONTRERAS

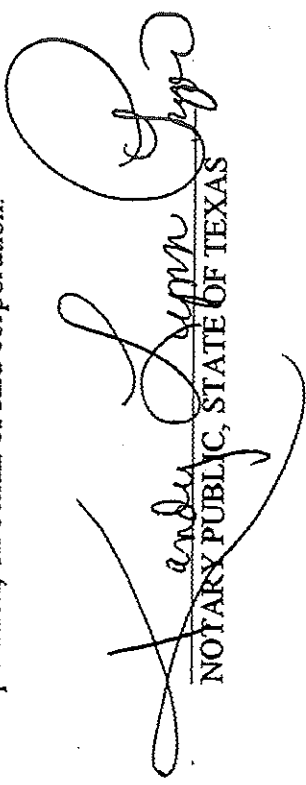
ACCEPTED: (Chris)

  
CHRIS CONTRERAS, JR.

THE STATE OF TEXAS  
COUNTY OF MCLENNAN

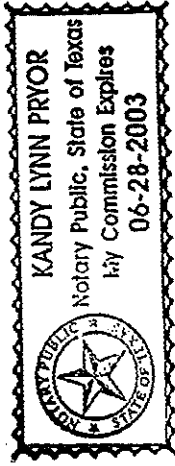
This instrument was acknowledged before me on May 1, 2001, by DAVID M. TEPE, President of TEPECORP, INC., a Texas corporation, on behalf of said corporation.

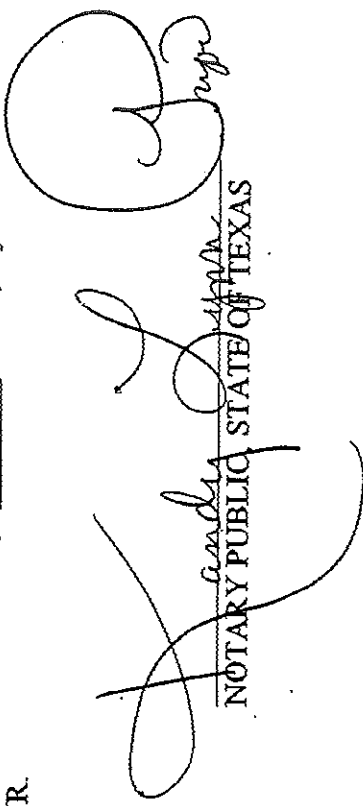


  
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS  
COUNTY OF MCLENNAN

This instrument was acknowledged before me on May 1, 2001, by NORA CONTRERAS and CHRIS CONTRERAS, JR.



  
NOTARY PUBLIC, STATE OF TEXAS

After recording return to:  
Nora Contreras  
3123 Lasker  
Waco, Texas 76707




## Purchase Agreement

This option to purchase Agreement (the "Agreement") is made this 7 day of June 2001 by and between the undersigned seller(s) Mike Tepe, Owner of Tepe Corp (the seller) whose address is 3533 Bosque Blvd Waco Texas 76710 and Troy Fullwood d.b.a. Pinnacle Investments whose address is 3714 West Ivanhoe Street, Chandler, AZ 85226.

The Seller owns a certain real estate NOTE (the Note) in the original amount of \$48,450.00 bearing interest of 11.5 % with a remaining balance of \$48,434.51 as of the 7<sup>th</sup> day of June, 2001, secured by a mortgage or deed of trust on certain real estate located at the following address: 3123 Lasker, Waco TX 76707

In consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby grants Buyer and /or assigns the exclusive right to purchase the remaining 359 monthly payments of \$479.80 and all of the balloon from the Seller for the sum of 38,747.00 (the Purchase Price). This agreement shall be in full force and effect for a period of (30) thirty days from the date of signing and thereafter until the Seller gives the Buyer (15) fifteen days written notice of intent to terminate this agreement.

Seller hereby acknowledges the option price is subject to receipt, review and approval by the Buyer of all required documentation. Seller acknowledges that Buyer will require, as a condition to its exercising the option herein granted a satisfactory appraisal of the real estate described above, a satisfactory receipt and review of mortgagee's title insurance commitment, satisfactory review of the property's hazard insurance, review of the original Note and satisfactory documents authorizing the sale of the said Note. All closing cost to be paid for by the Seller. The Seller will pay any outstanding liens or judgements necessary to clear or perfect the Title. This Agreement shall be governed and enforced in accordance with Texas (state) Law. SELLER shall keep any mortgage payments that are paid during the processing of this agreement and said payments shall be deducted from SELLER'S proceeds at the time of closing.

  
BUYER \_\_\_\_\_ DATE 6/7/01

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

June 8, 2001

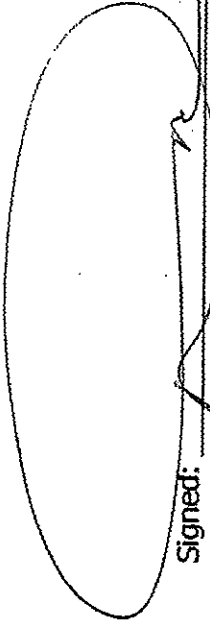
**ORIGINAL**

Troy Fullwood  
Pinnacle Investments  
3714 W. Ivanhoe ST  
Chandler, AZ 85226

Re: 3123 Lasker / Contreras Residence

Dear Mr. Fullwood,

Please accept this letter as our verification that the mortgage balance on the above referenced property is \$48,434.51 as of today.



Signed:

Mike Tepe  
President, Tepecorp, Inc.

Date:

6/8/01

For Valuable consideration, the receipt of which is hereby acknowledged Tepecorp, Inc., whose address is P.O. Box 8983, Waco, TX 76714, does hereby irrevocably set over transfer and assign\*to, with six (6) month recourse: Troy Fullwood D.B.A. Pinnacle Investments whose address is 3714 W. Ivanhoe Street, Chandler, AZ 85226 and its successors and assigns all of the interest of the undersigned in that certain Note and Deed of Trust, dated May 1, 2001, in the original amount of \$48,450.00 with respect to premises located at 3123 Lasker, Waco, TX 76707 and given Nora Contreras and Chris Contreras, Jr. and duly recorded on May 20, 2001 in the office of the Recorder of Deeds of McLennan County, State of Texas in Mortgage Book 2001016362 at Page 2001016362

Property Being: Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

Witness the hand and seal of each of the undersigned, with the intent to be legally bound, this 08 day of May June, 2001.

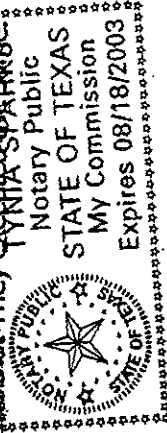
Owner:

Mike Tepe  
President, Tepecorp, Inc.

Verification

State of Texas  
County of McLennan

On the 08 day of June, 2001 before me personally came Mike Tepe to me known and known to me to be the individual(s) described in and who executed the foregoing instrument and They duly acknowledged to me that they executed the same.



[Signature]  
Notary Public  
My Commission Expires:

Record and return this document to the company whose name and address are shown below:

**Pinnacle Investments**  
**3714 W. Ivanhoe St.**  
**Chandler, AZ 85226**


MCC 2001018827  
2001018827  
18

In the event there is a default on the Note or Deed of Trust dated May 1, 2001 in the original amount of \$48,450.00 and given Nora Contreras and Chris Contreras, Jr., within the first Six (6) months after Troy Fullwood D.B.A. Pinnacle Investments purchases said Note and Deed of Trust Seller agrees to repurchase said Note and Deed of Trust upon written notice by Purchaser of said default. Seller upon written notice by Purchaser of a default shall immediately repurchase said receivable for the unpaid principal balance plus accrued interest. This recourse provision shall continue for a period of six (6) months and shall survive any subsequent sale of the receivable and shall inure to the benefit of all successors and/or assigns of Purchaser.

Property Being: Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

Also known as: 3123 Lasker, Waco, TX 76707

Witness the hand and seal of each of the undersigned, with the intent to be legally bound, this 8<sup>th</sup> day of June, 2001.

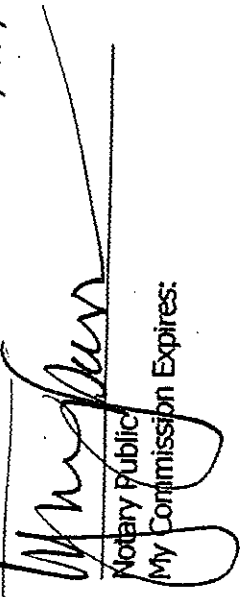
Owner(s):  


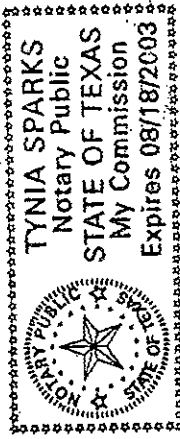
Mike Tepe  
President, Tepecorp, Inc.

Verification

State of Texas  
County of McLennan

On the 08<sup>th</sup> day of June, 2001 before me personally came Mike Tepe to me known and known to me to be the individual(s) described in and who executed the foregoing instrument and They duly acknowledged to me that They executed the same.

  
Notary Public  
My Commission Expires:



*Final*

### Schedule A

G.F. No: 01981688

Effective Date: May 15, 2001  
At 7:59 O'clock A.M.

Contact: Tynia Sparks

1. Policy or Policies to be issued:

Amount

(a) Form T-1: Owner Policy of Title Insurance

\$ \_\_\_\_\_

Proposed Insured:

(b) Form T-1R: Texas Residential Owner Policy of Title Insurance  
One-To-Four Family Residences

\$ \_\_\_\_\_

Proposed Insured: Nora Contreras Chris Contreras, Jr.

(c) Form T-2: Mortgage Policy of Title Insurance

\$ 48,450.00

Proposed Insured: Troy D. Fullwood d/b/a Pinnacle Investments  
its successors and/or assigns

Proposed Borrower:

Nora Contreras Chris Contreras, Jr.

(d) Form T-13: Mortgage Policy Binder on  
Interim Construction Loan

\$ \_\_\_\_\_

Proposed Insured:

Proposed Borrower:

(e) Other

\$ \_\_\_\_\_

Proposed Insured:

2. The estate or interest in the land described or referred to in this Commitment and covered herein: (Fee Simple, Leasehold, Easements, etc., - identify or describe)

Fee Simple

3. Record title thereto at the effective date hereof appears to be vested in:

Nora Contreras and Chris Contreras, Jr.

4. The land referred to in this Commitment is described as follows:

BEING Lot Six (6) in Block Thirteen (13) of Highland Place  
Addition to the City of Waco, McLennan County, Texas, as per  
plat recorded in Volume 228, Page 41, McLennan County Deed

Records

*Cindy Schirmer*

Cindy Schirmer  
Home Abstract and Title Company  
Waco, Texas (817) 753-2466

## Schedule B Exceptions From Coverage

G.F. No.: 01981688

The policy will be subject to the exclusions from coverage, the Conditions and Stipulations thereof, the terms and conditions of the instrument creating the estate insured, if any, shown in Schedule A, and to the following matters that will be additional exceptions from the coverage of the policy:

1. The following restrictive covenants of record itemized below, but in any mortgagee policy of title insurance or mortgagee title binder on interim construction loan, the Company will insure that any such restrictive covenants have not been violated so as to affect, and that a future violation thereof will not affect, the validity or priority of the insured mortgage (insert specific recording data or delete this exception):

Restrictions recorded in Volume 311, Page 258 and in Volume 590, Page 77, McLennan County Deed Records.

To the extent that any restrictions excepted to violate 42USC3604(c) by indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin, such restrictions are hereby omitted.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or protrusions or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse or any insured. (Applies to the Owner Policy Only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
  - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
  - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
  - c. to filled-in lands, or artificial islands, or
  - d. to statutory water rights, including riparian rights, or
  - e. to the area extending from the line of mean lowtide to the line of vegetation, or the rights of access to that area or easement along and across that area. (Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2001, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.

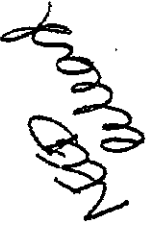
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is given to us before a binder is issued.)
8. Liens and leases that affect the title to the estate or interest, but that are subordinate to the lien of the insured mortgage. (Mortgagee Policy only.) \*\*
9. The following matter and all terms of the documents creating or offering evidence of the matters (This exception may be deleted if no lien or other matter is set forth below):  
**\*\* (TO BE CREATED IN A MANNER SATISFACTORY TO THIS TITLE COMPANY)**
10. Rights of parties in possession. (Owner's Title Policy Only)
11. All visible and apparent easements or uses and all underground easements or uses, the existence of which may arise by unrecorded grant or use.



## Schedule C

G.F. No.: 01981688

Your Policy will not cover loss, costs, attorney's fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
  - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
  - all standby fees, taxes, assessments and charges against the property have been paid,
  - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
  - there is legal right of access to and from the land,
  - (on Mortgage Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.  
  
5. Deed of Trust dated March 16, 2001 executed by Tepecorp, Inc. payable to SouthTrust Bank securing an unsecured amount. Said Deed of Trust filed for record in the office of the County Clerk of McLennan County, Texas on March 23, 2001 under Clerk's File No. 2001008831. REQUIRE RELEASE OF LIEN.
6. Deed of Trust dated May 1, 2001 executed by Nora Contreras and Chris Contreras, Jr. securing the payment of one note of even date therewith being payable to the order of Tepecorp, Inc., a Texas Corporation in the principal amount of \$48,450.00. Said Deed of Trust filed for record in the office of the County Clerk of McLennan County, Texas on May 30, 2001 under Clerk's File No. 2001016362.
7. Note: Procedural Rule P-27 as provided for in Article 9.39A of the Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund Account.

# Schedule D Lawyers Title Insurance Corporation

G.F. No.: 01981688

The information contained in this schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this commitment.

As to Lawyers Title Insurance Corporation, the Underwriter herein, the following individuals are directors and/or officers, as indicated, of Lawyers Title Corporation, a wholly owned subsidiary of Lawyers Title Corporation:

**Vice Chairman and Chief Operating Officer**  
Herbert Wender  
**President**  
Janet A. Alpert  
**Exec Vice President, Chief Financial Officer and Treasurer**  
John M. Carter  
**Exec Vice President, Management Systems**  
G. William Evans  
**Exec Vice President, Central Region**  
Kenneth Ascheimer

**Directors**  
Janet A. Alpert  
John M. Carter  
G. William Evans  
Charles H. Foster, Jr.  
Russell W. Jordan, III  
Jeffrey A. Tischler  
Herbert Wender

As to the undersigned Agent herein, the following disclosures are made:

B-1. If Agent is a corporation, the shareholders owning or controlling, directly or indirectly, the shares of Agent as of the last day of the year preceding the date hereinabove set forth are as follows:  
Walter Warren Fair, William Edward Fair.

B-2. Individuals, firms, partnerships, associations, corporations, trust or other entities owning 10% or more of those entities referred to in item B-1.

B-1 hereinabove as of the last day of year preceding the date hereinabove set forth are as follows: None.

B-3. If Undersigned Agent is a corporation, the following is a list of members of the Board of Directors, as of the last day of the year preceding the date hereinabove set forth: Walt Fair, Will Fair.

B-4. If Undersigned Agent is a corporation, the following is a list of officers as of the last day of the year preceding the date hereinabove set forth: President: Shirley M. Schavey, Executive Vice President: David Busch, Senior Vice President: Lori Koller, Vice President: Edward F. Anderson, Secretary and Treasurer: Cindy Schrader.

B-5. If Undersigned Agent is other than a Corporation, each owner or partner having or controlling 10% or more of the ownership of such undersigned, unincorporated title insurance agent as of the last day of the year preceding the date hereinabove set forth are as follows: None.

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated\* title premium is:

Owner Policy

Mortgage Policy  
Endorsement Charges \$ 5.00  
Total \$ 405.00

of this total amount, \$ \_\_\_\_\_ or 15.00% (complete one only) will be paid to Lawyers Title Insurance Corporation; \$ \_\_\_\_\_ or 85.00% (complete one only) will be retained by undersigned issuing agent and any remainder of the estimated\* premium will be paid to other parties as follows:

Amount	Paid to	Service
\$ _____ % (complete one only)	_____	_____
\$ _____ % (complete one only)	_____	_____
\$ _____ % (complete one only)	_____	_____

\*The estimated premium is based upon the information furnished to us as of the date of this commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the State Board of Insurance.

# Tax Certificate

Prepared by: Texas Tax Service, Inc.

G.F.#: 01981688

Certificate For McLennan County

Texas Tax Service, Inc. hereby certifies that it has examined the records of the office of the tax entity named above, and after reasonable search, we have found the following state, county, and district taxes due upon the following described property to-wit:

MCAD Number  
480226000165002

Property Address  
3123 Lasker

Property Description	Property Value - \$	16,875.00
Lt 6, Blk 13-Highland	Total Tax - \$	484.31

### Special District Collected and Exemptions:

#01 County	\$	96.85
#80 City of Waco	\$	120.63
#48 Waco ISD	\$	266.83

Rendered for the year 2000, in the name of Tepecorp Inc have been paid up to and including the year 2000 except for

1998

Delinquent Taxes Unpaid--- \$	8.25	if paid by	AUGUST 31, 2000
Current Tax Year----- \$	484.31		
Current Tax Paid----- \$	48.31	Paid	01/31/01
Penalty----- \$	0.00	Paid	JANUARY 31, 2001
Total Taxes Due----- \$	444.25	<i>No Taxes Due</i>	

Prepared for: Home Abstract and Title Company

Receipt of a fee of \$10.83 (\$10.00 + \$0.83 Sales Tax) in payment of this certificate is hereby acknowledged.

This is to give you notice that Home Abstract and Title Company (HATCO) has a business relationship with Texas Tax Service, Inc. (TTS), which has provided this tax certificate. TTS is a wholly owned subsidiary of HATCO. Because of this relationship, this referral may provide HATCO a financial or other benefit. The charge for this service is \$10.83. You are NOT required to use TTS as a condition for closing your transaction. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES. I/we have read this disclosure form, and understand that HATCO is referring me/us to purchase the above-described settlement service and may receive a financial or other benefit as a result of this referral.

Seller

Texas Tax Service, Inc.

Seller

Date: February 22, 2001

*\$ 484.31 Paid*  
*County 96.85*  
*Waco ISD 266.83*  
*City of Waco 120.63*  
*\$ 484.31*

RELEASE OF LIEN

Date: June 6, 2001

Holder of Note and Lien: SOUTHTRUST BANK

Note

Date: March 23, 2001

Original principal amount: As therein provided.

Borrower: TEPECORP, INC., a Texas corporation

Lender: SOUTHTRUST BANK

Maturity date: As therein provided

Note and Lien Are Described in the Following Documents: Deed of Trust recorded in the office of the County Clerk in McLennan County, Texas under Clerk's File Number 2001008831.

Property (including any improvements): BEING Lot Six (6) in Block Thirteen (13) of the Highland Place Addition to the City of Waco, McLennan County, Texas, as per plat recorded in Volume 228, Page 41, of the McLennan County Deed Records.

Holder of Note and Lien is the owner and holder of the Note and Lien described above.

Holder of Note and Lien acknowledges payment in full of the Note and releases the Property from the Lien and from all liens held by Holder of Note and Lien, without regard to how they were created or evidenced.

Holder of Note and Lien expressly waives and releases all present and future rights to establish or enforce the Lien as security for payment of any future or other indebtedness.

When the context requires, singular nouns and pronouns include the plural.

SOUTHTRUST BANK

\_\_\_\_\_  
JEFF FRAZIER  
President

The undersigned authority hereby certifies that this is a true and correct copy of the original  
BY: HOME ABSTRACT AND TITLE CO.

THE STATE OF TEXAS  
COUNTY OF ELLIS

This instrument was acknowledged before me on June \_\_\_\_\_, 2001, by JEFF FRAZIER,  
President of SOUTHRUST BANK, a Texas state bank, on behalf of said bank

NOTARY PUBLIC, STATE OF TEXAS

After Recording Return to:  
Tepecorp, Inc.  
P.O. Box 8983  
Waco, Texas 76714

HOME ABSTRACT AND TITLE COMPANY

601 COLUMBUS \*\* WACO, TX. 76701 \*\* P.O. BOX 324 \*\* WACO, TX. 76703  
(254) 753-2466 \*\* FAX # (254) 752-2106

**ORIGINAL**

June 20, 2001

First National Acceptance Company  
ATTENTION: Policy dept.  
241 Saginaw  
East Lansing, MI 48823

RE: G F NUMBER 01981688 (1c)  
Nora Contreras and Chris Contreras, Jr.

Dear Sirs:

In connection with the above captioned file, enclosed please find the following:

(x) MORTGAGEES TITLE POLICY NO. G82-63728

It has been a pleasure doing business with you and if you have any questions, please do not hesitate to call me.

Sincerely,

*Lisa Casarez*  
Lisa Casarez  
Escrow Secretary

# Lawyers Title Insurance Corporation

A LANDAMERICA COMPANY

POLICY NUMBER

682-0070709

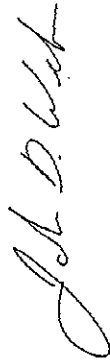
**SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:**

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Lack of a right of access to and from the land;
4. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
5. The priority of any lien or encumbrance over the lien of the insured mortgage;
6. Lack of priority of the lien of the insured mortgage over any statutory or constitutional mechanic's, contractor's, or materialmen's lien for labor or material having its inception on or before Date of Policy;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens;
8. Lack of good and indefeasible title.

The Company also will pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

**IN WITNESS WHEREOF, LAWYERS TITLE INSURANCE CORPORATION** has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

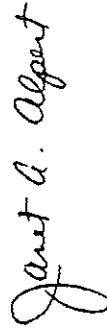
Attest:



Secretary



By:



President

LAWYERS TITLE INSURANCE CORPORATION

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or
  - (e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory or constitutional mechanic's, contractor's, or materialmen's lien for labor or material having its inception subsequent to Date of Policy.
7. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of unmarketability of the title.
8. Any claim which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or other state or federal creditors' rights laws that is based on either:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer or a voidable distribution or voidable dividend,
  - (ii) the subordination or recharacterization of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination,
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure of the Company or its issuing agent to timely file for record the instrument of transfer to the insured after delivery or the failure of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.



# Mortgage Title Policy

 ORIGINAL

*Agent Id:* 014260276

*County Code:* 309

*Policy Number:* M-G82-70709

*Policy Date:* March 23, 2001 @ 1:08 p.m.

*Premium:* \$579.00

*Liability Amount:* \$48,450.00

*G F Number:* 01981688

*Escrow Unit:* 98

*Trans Code:* 3000

*Property Type:* R

*Tynia Sparks (1c)*

Mortgage Title Policy

# Schedule A

GF No.: 01981688 (lc)

T-2 Mortgagees Policy Schedules (Revised 1991)  
Form Prescribed By State Board of Insurance of Texas

Mortgagee Policy No.:  
M- G82-70709

Date of Policy:  
March 23, 2001 @ 1:08 p.m.

*Amount of Insurance:*

**FORTY-EIGHT THOUSAND FOUR HUNDRED FIFTY &  
00/100 - (\$48,450.00) - Dollars**

**1. Name of Insured:**

*First National Acceptance Company of North America, Inc., a Michigan Corporation and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions and Stipulations.*

**2. The estate or interest in the land that is insured as encumbered by the insured mortgage is:**

*Fee simple*

**3. Title to the estate or interest in the land is insured as vested in:**

*Nora Contreras and Chris Contreras, Jr.*

**4. The insured mortgage and assignments thereof, if any, are described as follows:**

*Deed of Trust dated May 1, 2001 executed by Nora Contreras and Chris Contreras, Jr. to Walt Fair, Trustee, securing the payment of one note of even date therewith being payable to the order of Tepecorp, Inc., a Texas corporation in the principal amount of \$48,450.00. Said Deed of Trust filed for record in the office of the County Clerk of McLennan County, Texas on May 30, 2001 at 2:20 P.M. under Clerk's File No. 2001016362.*

*Transfer dated June 8, 2001 executed by Tepecorp, Inc. to Troy Fullwood D.B.A. Pinnacle Investments. Said Transfer filed for record in the office of the County Clerk of McLennan County, Texas on June 18, 2001 1:40 P.M. under Clerk's File No. 2001018827.*

*Assignment of Lien dated June 7, 2001 from Troy Fullwood D.B.A. Pinnacle Investments to First National Acceptance Company of North America, Inc., a Michigan corporation. Said Assignment*

GF No. 01981600  
Attached to and in 2 a part of  
Policy No. M-G82-70709

**SCHEDULE A, NO. 4 CONTINUED:**  
filed for record in the office of the County Clerk of McLennan  
County, Texas on June 18, 2001 at 1:40 P.M. under Clerk's File  
No. 2001018828.

**SCHEDULE A CONTINUED:**

5. The land referred to in this policy is

**SCHEDULE A, NO. 5 CONTINUED:**  
BEING Lot Six (6) in Block Thirteen (13) of Highland Place  
Addition to the City of Waco, McLennan County, Texas, as per  
plat recorded in Volume 228, Page 41, McLennan County Deed  
Records.



Cindy Schrader / Escrow Officer  
Home Abstract and Title Company  
Waco, Texas (817)753-2466

# Schedule B

## Loan Policy

### Exceptions From Coverage

4-2 Mortgagee Policy Schedules (Revised 1991)  
Form Prescribed By State Board of Insurance of Texas

GF No:

01981688

Mortgagee Policy No.:

MG82-70709

*This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:*

1. *The following restrictive covenants of record itemized below, but the Company insures that any such restrictive covenants have not been violated so as to affect, and that future violation thereof will not affect the validity or priority of the mortgage hereby insured (insert specific recording data or delete this exception.)*  
*Restrictions recorded in Volume 311, Page 258 and in Volume 590, Page 77, McLennan County Deed Records.*

*To the extent that any restrictions excepted to violate 42USC3604(c) by indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin, such restrictions are hereby omitted.*

2. *Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.*
3. *Standby fees, taxes and assessments by any taxing authority for the year 2001, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.*
4. *Liens and leases that affect the title to the estate or interest, but that are subordinate to the lien of the insured mortgage.*
5. *(Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interests, etc.)*

*GF No. 01981688*


*Attached to and made a part of  
Policy No. M-G82-70709*

*SCHEDULE B CONTINUED:*

- 6. All visible and apparent easements or uses and all underground easements or uses, the existence of which may arise by unrecorded grant or use.*

THE DATE OF THIS MONEY ORDER CONTAINS AN INTEGRAL WATERMARK - EXPOSED AT AN ANGLE 45 DEGREES

**WESTERN UNION MONEY ORDER™**      **INTEGRATED PAYMENT SYSTEMS INC. - ISSUER**  
Englewood, Colorado



(ISSUING AGENT)

**06-278846754**  
82-401021

**479.80**

AGENT 671286 DATE 060901  
 TIME 1326 06  
 062788467543 LOCATION 000064

**PAY EXACTLY**      **PAY EXACTLY FOUR HUNDRED SEVENTY-NINE DOLLARS AND EIGHTY**  
CENTS \*\*\*\*\*

PAY TO THE ORDER OF TEPECORP INC.      *Alva Contreras*  
3123 Lakewood ADDRESS      PURCHASER BY SIGNING YOU AGREE TO THE TERMS ON THE REVERSE SIDE.  
AUTHORIZED REPRESENTATIVE

Western Union Money Order and Design is a service mark of Western Union Holdings, Inc. Payable at Wells Fargo Bank Grand Junction - Downtown, N.A. Grand Junction, Colorado

⑆102100400⑆ 40062788467543⑈

*JUNE Pmt*

6/11/01 11:11 AM      06-278846754      PAGE 1/1

YFZ78738

BANK MONEY ORDER

REMITTER

003227

48-9374/1119

*Mura + Chris Contreras*

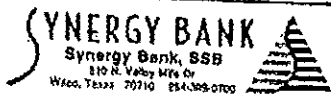
DATE 6-6-01

PAY TO THE ORDER OF Tepecorp inc.

\$ 479.80

Pay Exactly \$ 479.80

DOLLARS



*Jessica Hill*

⑈003227⑈ ⑆11993747⑆ ⑈300 000 3⑈

3123 *Laska*

Binder

in use by the rating Company  
condition and duration of the policy applied for and outside in use by the Company. Please accept this form  
subject to the terms



FARMERS

NOVA CONTRERAS  
3123 LASKEE AVE WACO TX 76701

Year	1999	Make	Subaru	Model	Impreza	Color	Black	Year of Purchase	1999	Actual Days of Policy Period	5/23/01	AM
Make	Subaru	Model	Impreza	Color	Black	Year of Purchase	1999	Actual Days of Policy Period	5/23/01	AM		
Year	1999	Make	Subaru	Model	Impreza	Color	Black	Year of Purchase	1999	Actual Days of Policy Period	5/23/01	AM

FARMERS INSURANCE GROUP

TEVE CERK  
P.O. BOX 6983  
WACO TX 76711

Home Address: 76711  
Phone: 254-772-1111

Agent's Address: Harry E. Cleveland Agency  
7005 Woodway Dr. (By Hwy 84)  
Waco, Texas 76712  
PH. 254-772-1111

Insured's Address: 76711  
Phone: 254-772-1111

Insured's Name: George Cleveland  
Address: 76711  
Phone: 254-772-1111

Insured's Name: George Cleveland  
Address: 76711  
Phone: 254-772-1111

Insured's Address: 76711  
Phone: 254-772-1111

Insured's Name: George Cleveland  
Address: 76711  
Phone: 254-772-1111



**ORIGINAL**

<p><b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.</p> <p>11.500%</p>	<p><b>FINANCE CHARGE</b> The dollar amount the credit will cost you.</p> <p>\$124,265.30</p>	<p><b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.</p> <p>\$48,450.00</p>	<p><b>TOTAL OF PAYMENTS</b> The amount you will have paid after you made all payments as scheduled.</p> <p>\$172,715.30</p>
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**PAYMENT SCHEDULE:**

Number of Payments	Starting Payment	When Payments Are Due
360	\$479.80	(Prin. and Int.) Monthly

**Charges That Increase the Annual Percentage Rate:**

- Prepaid Interest 0 days at 12.000 %/Yr \$ 0.00
- Origination Fee Paid 0.000% \$ 0.00
- Discount Points Paid 0.000% \$ 0.00
- Other Charges \$ 0.00
- Fee Amount/Payment \$0.00 for 360 pmts \$ 0.00
- Total Charges \$ 0.00

Nominal Annual Interest  
Effective Annual Rate  
Periodic Rate  
Equivalent Daily Rate

11.50000%  
12.12593%  
0.95833%  
0.03151%

Annual Percentage Rate (APR) ..... 11.50000%

*Maria Contreras  
Cecilia Contreras Jr.*

5-10-01

BORROWER'S CERTIFICATION AND AUTHORIZATION  
CERTIFICATION

THE UNDERSIGNED CERTIFY THE FOLLOWING:

WE HAVE APPLIED FOR AN OWNER FINANCING MORTGAGE LOAN FROM DAVID M. TEPE. IN APPLYING FOR THE LOAN, WE COMPLETED A LOAN APPLICATION CONTAINING VARIOUS INFORMATION ON THE PURPOSE OF THE LOAN, THE AMOUNT AND SOURCE OF THE DOWNPAYMENT, THE EMPLOYMENT AND INCOME INFORMATION, AND ASSETS AND LIABILITIES. WE CERTIFY THAT ALL OF THE INFORMATION IS TRUE AND COMPLETE. WE MAKE NOT MISREPRESENTATIONS IN THE LOAN APPLICATION OR OTHER DOCUMENTS NOT DID WE OMIT ANY PERTINENT INFORMATION.

WE UNDERSTAND AND AGREE THAT DAVID M. TEPE RESERVES THE RIGHT TO CHANGE THE OWNER FINANCING LOAN REVIEW PROCESS TO A FULL DOCUMENTATION PROGRAM. THIS MAY INCLUDE VERIFYING THE INFORMATION PROVIDED ON THE APPLICATION WITH THE EMPLOYER AND /OR THE FINANCIAL INSTITUTION.

WE FULLY UNDERSTAND THAT IT IS A FEDERAL CRIME PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH TO KNOWINGLY MAKE ANY FALSE STATEMENTS WHEN APPLYING FOR THIS MORTGAGE AS APPLICABLE UNDER THE PROVISIONS OF TITLE 18. UNITED STATES CODE, SECTION 1014.

AUTHORIZATION TO RELEASE INFORMATION

WHOM IT MAY CONCERN:

WE HAVE APPLIED FOR AN OWNER FINANCING MORTGAGE LOAN FROM DAVID M. TEPE AS PART OF THE APPLICATION PROCESS. DAVID M. TEPE MAY VERIFY INFORMATION CONTAINED IN MY/OUR LOAN APPLICATION AND IN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE LOAN EITHER BEFORE THE LOAN IS CLOSED OR AS PART OF ITS QUALITY CONTROL PROGRAM.

WE AUTHORIZE YOU TO PROVIDE TO DAVID M. TEPE AND TO ANY INVESTOR TO WHOM DAVID M. TEPE MAY SELL MY MORTGAGE, ANY AND ALL INFORMATION AND DOCUMENTATION THAT THEY REQUEST. SUCH INFORMATION INCLUDES , BUT IS NOT LIMITED TO, EMPLOYMENT HISTORY AND INCOME; BANK, MONEY MARKET, AND SIMILAR ACCOUNT BALANCES; CREDIT HISTORY; AND COPIES OF INCOME OF TAX RETURNS.

DAVID M. TEPE OR ANY INVESTOR THAT PURCHASES THE MORTGAGE MAY ADDRESS THIS AUTHORIZATION TO ANY PARTY NAMED IN THE LOAN APPLICATION.

A COPY OF THIS AUTHORIZATION MAY BE ACCEPTED AS AN ORIGINAL.

YOUR PROMPT REPLY TO DAVID M. TEPE OR THE INVESTOR THAT PURCHASED THE MORTGAGE IS APPRECIATED.

*Nora Contreras*  
BORROWER

*Christina Contreras*  
BORROWER

[REDACTED]

SOCIAL SECURITY NUMBER

[REDACTED]

SOCIAL SECURITY NUMBER

 ORIGINAL

EQUAL CREDIT OPPORTUNITY NOTICE

THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT PROHIBITS CREDITORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX MARITAL STATUS AGE (PROVIDED THAT THE APPLICANT HAS THE CAPACITY TO ENTER INTO A BINDING CONTRACT); BECAUSE ALL OR PART OF THE APPLICANT'S INCOME DERIVES FROM ANY PUBLIC ASSISTANCE PROGRAM, OR BECAUSE THE APPLICANT HAS IN GOOD FAITH EXERCISED ANY RIGHT UNDER THE CONSUMER CREDIT PROTECTION ACT. THE FEDERAL AGENCY THAT ADMINISTERS COMPLIANCE WITH THIS LAW CONCERNING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT IS THE FEDERAL TRADE COMMISSION, EQUAL CREDIT OPPORTUNITY, WASHINGTON, D.C. 20580.

FINANCIAL PRIVACY ACT NOTICE

THIS IS NOTICE TO YOU AS REQUIRED BY THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978 THAT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HAS A RIGHT OF ACCESS TO THE FINANCIAL RECORDS HELD BY A FINANCIAL INSTITUTION IN CONNECTION WITH THE CONSIDERATION OR ADMINISTRATION OF ASSISTANCE TO YOU. FINANCIAL RECORDS INVOLVING YOUR TRANSACTION WILL BE AVAILABLE TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE VETERANS ADMINISTRATION WITHOUT FURTHER NOTICE OR AUTHORIZATION BUT WILL NOT BE DISCLOSED OR RELEASED TO ANOTHER GOVERNMENT AGENCY OR DEPARTMENT WITHOUT YOUR CONSENT EXCEPT AS REQUIRED OR PERMITTED BY LAW (TITLE 38 U.S.C., CHAPTER 37(IF VA); BY 12 U.S.C. SECTION 1701 ET SEO (IF HUD/FHA)

AUTHORIZATION FOR NECESSARY CHARGES

THIS IS TO ADVISE YOU THAT DAVID M. TEPE WILL EXPEND NECESSARY CHARGES FOR CREDIT REPORT FEES, WIRE, TELEPHONE CALLS, COURIER FEES, APPRAISALS, ETC. IN PROCESSING YOUR OWNER FINANCED MORTGAGE LOAN APPLICATION BY SIGNING THIS FORM. YOU AUTHORIZ DAVID M TEPE TO OBTAIN THE SERVICES NECESSARY TO COMPLETE PROCESSING OF YOUR OWNER FINANCED MORTGAGE LOAN, APPRAISAL AND IF APPROVED TO OBTAIN THE SERVICES NECESSARY TO CLOSE AND FUND YOUR MORTGAGE LOAN, APPRAISAL AND CREDIT REPORT FEES. IF ANY PAID AT TIME OF APPLICATION ARE NOT REFUNDABLE.

OCCUPANCY STATEMENT

I HEREBY CERTIFY THAT I (DO/DO NOT) INTEND TO OCCUPY THE HOUSE FOR WHICH I AM MAKING APPLICATION AS MY RESIDENCE.

Nora Contreras 5 10 99  
BORROWER DATE

Cecilia Contreras Jr. 5 10 99  
BORROWER DATE

# HOW DO I KNOW IF MY CHILD IS AFFECTED? ORIGINAL

## IS YOUR CHILD:

- \* cranky? \* unable to concentrate? \* vomiting? \* hyperactive? \* tired? \* playing with children who have these symptoms?
  - \* unwilling to eat or play? \* complaining of stomach aches or headaches?
- THESE CAN BE SIGNS OF LEAD POISONING. HOWEVER, YOUR CHILDREN MIGHT NOT SHOW THESE SIGNS AND YET BE POISONED: ONLY YOUR CLINIC OR DOCTOR CAN TEST FOR SURE.**

### WHAT CAN I DO ABOUT IT?

YOUR CHILD SHOULD FIRST BE TESTED FOR LEAD IN THE BLOOD BETWEEN SIX MONTHS AND ONE YEAR OLD. ASK THE CLINIC OR THE DOCTOR TO DO IT DURING A REGULAR CHECK-UP. YOUR DOCTOR WILL TELL YOU HOW OFTEN YOU SHOULD HAVE YOUR CHILD TESTED AFTER THAT. A SMALL AMOUNT OF LEAD IN THE BLOOD MAY NOT MAKE YOUR CHILD SEEM VERY SICK, BUT IT CAN AFFECT HOW WELL HE OR SHE CAN LEARN. IF YOUR CHILD DOES HAVE HIGH AMOUNTS OF LEAD IN THE BLOOD, YOU SHOULD SEEK TREATMENT AND HAVE YOUR HOME TESTED FOR LEAD-BASED PAINT AND LEAD DUST.

### HOW DO I KNOW IF MY HOME HAS LEAD-BASED PAINT?

THE HUD INSPECTION DOES NOT DETERMINE WHETHER A HOME ACTUALLY HAS LEAD-BASED PAINT. IT ONLY IDENTIFYS WHETHER THERE IS A DEFECTIVE PAINT IN A HOME THAT MIGHT HAVE LEAD-BASED PAINT. THEREFORE, THE ONLY WAY YOU CAN KNOW FOR SURE IS TO HAVE THE HOME TESTED BY A QUALIFIED FIRM OR LABORATORY. BOTH THE INTERIOR AND EXTERIOR SHOULD BE TESTED. YOU SHOULD CONTACT YOUR LOCAL HEALTH OR ENVIRONMENTAL OFFICE FOR HELP.

### WHAT DO I DO IF MY HOME DOES HAVE LEAD?

- DO NOT TRY TO GET RID OF LEAD-BASED PAINT YOURSELF. YOU COULD MAKE THINGS WORSE FOR YOU AND YOUR FAMILY. IF YOUR HOME CONTAINS LEAD-BASE PAINT, CONTACT A COMPANY THAT SPECIALIZES IN LEAD-BASED PAINT ABATEMENT. HAVE PROFESSIONALS DO THE JOB CORRECTLY AND SAFELY. THIS MAY COST THOUSANDS OF DOLLARS, DEPENDING ON THE AMOUNT OF LEAD-BASE PAINT OR LEAD DUST FOUND IN YOUR HOME, BUT IT WILL ALSO PROTECT YOU AND YOUR CHILDREN FROM THE EFFECTS OF LEAD POISONING. IN THE MEANTIME, THERE ARE THINGS YOU CAN DO IMMEDIATELY TO PROTECT YOUR CHILD:
- \* KEEP YOUR CHILD AWAY FROM PAINT CHIPS AND DUST.
- \* WET-MOP FLOORS AND WIPE DOWN SURFACES OFTEN, ESPECIALLY WHERE THE FLOORS AND WALLS MEET. BE SURE TO CLEAN THE WINDOW SPACES WHERE THE WINDOW SASH RESTS ON THE SILL. KEEPING THE FLOOR CLEAR OF PAINT CHIPS, DUST AND DIRT IS EASY AND VERY IMPORTANT. DO NOT SWEEP OR VACUUM LEAD-BASE PAINT CHIPS OR LEAD DUST WITH AN ORDINARY VACUUM CLEANER. LEAD DUST IS SO FINE IT WILL PASS THROUGH A VACUUM CLEANER BAG AND SPREAD INTO THE AIR YOU BREATHE.
- \* MAKE SURE YOUR CHILDREN WASH THEIR HANDS FREQUENTLY AND ALWAYS BEFORE EATING.
- \* WASH TOYS, TEETHING RINGS, AND PACIFIERS, FREQUENTLY.

### WILL HUD INSURE A MORTGAGE LOAN ON A HOME WITH LEAD-BASE PAINT?

HUD WILL INSURE A MORTGAGE ON A HOUSE EVEN IF IT HAS LEAD-BASE PAINT. IF YOU PURCHASE A PROPERTY WITH LEAD-BASE PAINT, HUD WILL NOT REMOVE IT. YOU WILL HAVE TO PAY FOR THE COST OF REMOVAL YOURSELF.

### ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT I HAVE RECEIVED AND READ A COPY OF THIS NOTICE BEFORE SIGNING THE SALES CONTRACT TO PURCHASE MY PROPERTY.

5-10-01  
DATE

*Nora Centenera*  
SIGNATURE(S)  
*Cesario Centenera Jr.*



**ORIGINAL**

**ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)  
ALL CASH, ASSUMPTION, THIRD PARTY CONVENTIONAL OR SELLER FINANCING**

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: \_\_\_\_\_ (Seller) agrees  
to sell and convey to TEPCORP INC. \_\_\_\_\_  
Buyer agrees to buy from Seller the property described below. (Buyer) and  
NORA CONTRERAS AND CHRIS CONTRERAS JR.

2. PROPERTY: Lot 6, Block 13, HIGHLAND PLACE  
Addition, City of WACO, \_\_\_\_\_ County,  
Texas, known as 3123 LASKER 76707  
MCLENNAN

(Address/Zip Code), or as described on attached exhibit, together with the following items, if any: curtains and rods, draperies and rods, valances, blinds, window shades, screens, shutters, awnings, wall-to-wall carpeting, mirrors fixed in place, ceiling fans, attic fans, mail boxes, television antennas and satellite dish system with controls and equipment; permanently installed heating and air-conditioning units, window air-conditioning units, built-in security and fire detection equipment, plumbing and lighting fixtures including chandeliers, water softener, stove, built-in kitchen equipment, garage door openers with controls, built-in cleaning equipment, all swimming pool equipment and maintenance accessories, shrubbery, landscaping, permanently installed outdoor cooking equipment, built-in fireplacescreens, artificial fireplace logs and all other property owned by Seller and attached to the above described real property except the following property which is not included: \_\_\_\_\_

All property sold by this contract is called the "Property." The Property  is not subject to mandatory membership in an owners' association. The TREC Addendum For Property Subject To Mandatory Membership In An Owners' Association  is not attached.

**NOTICE TO BUYER:** If the Property is subject to mandatory membership in owner's association, Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community in which the Property is located, you are obligated to be a member of an owners' association. Restrictive covenants governing the use and occupancy of the Property and a dedicatory instrument governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instrument may be obtained from the county clerk. You are obligated to pay assessments to the owners' association. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of the Property.

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing ..... \$ \$2,550.00
- B. Sum of all financing described below  
(excluding any private mortgage insurance [PMI] premium) ..... \$ \$48,450.00
- C. Sales Price (Sum of A and B) ..... \$ \$51,000.00

4. FINANCING: Within \_\_\_\_\_ days after the effective date of this contract Buyer shall apply for all third party financing or noteholder's approval of any assumption and make every reasonable effort to obtain financing or assumption approval. Financing or assumption approval will be deemed to have been obtained when the lender determines that Buyer has satisfied all of lender's financial requirements (those items relating to Buyer's net worth, income and creditworthiness). If financing (including any financed PMI premium) or assumption approval is not obtained within \_\_\_\_\_ days after the effective

Initialed for identification by Buyer NC and Seller NC 01A TREC NO. 20-4

This form was prepared with Formulator Forms Software, 4890 Riverbend Rd. B-3, Boulder CO 80301 800-336-1027

C.C

(Address of Property)

date hereof, this contract will terminate and the earnest money will be refunded to Buyer. Each note to be executed hereunder must be secured by vendor's and deed of trust liens.

The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

A. THIRD PARTY FINANCING:

(1) This contract is subject to approval for Buyer of a third party first mortgage loan having a loan-to-value ratio not to exceed \_\_\_\_\_% as established by such third party (excluding any financed PMI premium), due in full in \_\_\_\_\_ year(s), with interest not to exceed \_\_\_\_\_% per annum for the first \_\_\_\_\_ year(s) of the loan. The loan will be  with  without PMI.

(2) This contract is subject to approval for Buyer of a third party second mortgage loan having a loan-to-value ratio not to exceed \_\_\_\_\_% as established by such third party (excluding any financed PMI premium), due in full in \_\_\_\_\_ year(s), with interest not to exceed \_\_\_\_\_% per annum for the first \_\_\_\_\_ year(s) of the loan. The loan will be  with  without PMI.

B. TEXAS VETERANS' HOUSING ASSISTANCE PROGRAM LOAN: This contract is subject to approval for Buyer of a Texas Veterans' Housing Assistance Program Loan (the Program Loan) of \$\_\_\_\_\_ for a period of at least \_\_\_\_\_ years at the interest rate established by the Texas Veterans' Land Board at the time of closing.

C. SELLER FINANCING: A promissory note from Buyer to Seller of \$ \$48,450.00, bearing 11.50 % interest per annum, secured by vendor's and deed of trust liens, in accordance with the terms and conditions set forth in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

D. ASSUMPTION:

(1) Buyer shall assume the unpaid principal balance of a first lien promissory note payable to \_\_\_\_\_ which unpaid balance at closing will be \$\_\_\_\_\_. The total current monthly payment including principal, interest and any reserve deposits is \$\_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.

(2) Buyer shall assume the unpaid principal balance of a second lien promissory note payable to \_\_\_\_\_ which unpaid balance at closing will be \$\_\_\_\_\_. The total current monthly payment including principal, interest and any reserve deposits is \$\_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.

Buyer's assumption of an existing note includes all obligations imposed by the deed of trust securing the note.

If the unpaid principal balance(s) of any assumed loan(s) as of the Closing Date varies from the loan balance(s) stated above, the  cash payable at closing  Sales Price will be adjusted by the amount of any variance; provided, if the total principal balance of all assumed loans varies in an amount greater than \$350.00 at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless the other party elects to eliminate the excess in the variance by an appropriate adjustment at closing. If the noteholder requires (a) payment of an assumption fee in excess of \$\_\_\_\_\_ in D(1) above or \$\_\_\_\_\_ in D(2) above and Seller declines to pay such excess, or (b) an increase in the interest rate to more than \_\_\_\_\_% in D(1) above, or \_\_\_\_\_% in D(2) above, or (c) any other modification of the loan documents, Buyer may terminate this contract and the earnest money will be refunded to Buyer. A vendor's lien and deed of trust to secure assumption will be required which shall automatically be released on execution and delivery of a release by noteholder. If Seller is released from liability on any assumed note, the vendor's lien and deed of trust to secure assumption will not be required.

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**NOTICE TO BUYER:** The monthly payments, interest rates or other terms of some loans may be adjusted by the lender at or after closing. If you are concerned about the possibility of future adjustments, do not sign the contract without examining the notes and deeds of trust.

**NOTICE TO SELLER:** Your liability to pay the note assumed by Buyer will continue unless you obtain a release of liability from the lender. If you are concerned about future liability, you should use the TREC Release of Liability Addendum.

**E. CREDIT APPROVAL ON ASSUMPTION OR SELLER FINANCING:** Within \_\_\_\_\_ days after the effective date of this contract, Buyer shall deliver to Seller  credit report  verification of employment, including salary  verification of funds on deposit in financial institutions  current financial statement to establish Buyer's creditworthiness for assumption approval or seller financing and  \_\_\_\_\_

If Buyer's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If this contract is not so terminated, Seller will be deemed to have accepted Buyer's credit. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Buyer's credit is unacceptable, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery and the earnest money will be refunded to Buyer. If Seller does not so terminate this contract, Seller will be deemed to have accepted Buyer's credit. Buyer hereby authorizes any credit reporting agency to furnish to Seller at Buyer's sole expense copies of Buyer's credit reports.

**5. EARNEST MONEY:** Buyer shall deposit \$ 300.00 as earnest money with TEPECORP INC.

at 3533 BOSQUE WACO, TEXAS 76710

(Address), as escrow agent, upon execution of this contract by both parties. Additional earnest money of \$ \_\_\_\_\_ must be deposited by Buyer with escrow agent on or before

\_\_\_\_\_ by this contract, Buyer will be in default. If Buyer fails to deposit the earnest money as required

**6. TITLE POLICY AND SURVEY:**

**A. TITLE POLICY:** Seller shall furnish to Buyer at  Seller's  Buyer's expense an owner policy of title insurance (the Title Policy) issued by \_\_\_\_\_ (the Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (1) Restrictive covenants common to the platted subdivision in which the Property is located.
- (2) The standard printed exception for standby fees, taxes and assessments.
- (3) Liens created as part of the financing described in Paragraph 4.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (6) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.
- (7) The standard printed exception as to marital rights.
- (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.

Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (the Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment other than the

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standard printed exceptions. Seller authorizes the Title Company to mail or hand deliver the Commitment and related documents to Buyer at Buyer's address shown below. If the Commitment is not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days. Buyer will have 7 days after the receipt of the Commitment to object in writing to matters disclosed in the Commitment.

B. SURVEY: (Check one box only)

- (1) Within \_\_\_ days after Buyer's receipt of a survey furnished to a third-party lender at Seller's  Buyer's expense, Buyer may object in writing to any matter shown on the survey which constitutes a defect or encumbrance to title.
- (2) Within \_\_\_ days after the effective date of this contract, Buyer may object in writing to any matter which constitutes a defect or encumbrance to title shown on a survey obtained by Buyer at Buyer's expense.

The survey must be made by a Registered Professional Land Surveyor acceptable to the Title Company and any lender. Utility easements created by the dedication deed and plat of the subdivision in which the Property is located will not be a basis for objection.

Buyer may object to existing building and zoning ordinances, items 6A(1) through (8) above and matters shown on the survey if Buyer determines that any such ordinance, items or matters prohibits the following use or activity:

Buyer's failure to object under Paragraph 6A or 6B within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment will not be deemed to have been waived. Seller shall cure the timely objections of Buyer or any third party lender within 15 days from the date Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured by the extended Closing Date, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer elects to waive the objections.

**NOTICE TO SELLER AND BUYER:**

- (1) Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49 of the Texas Water Code requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (3) If the Property abuts the tidally influenced waters of the state, Section 33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum either promulgated by TREC or required by the parties should be used.
- (4) Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum either promulgated by TREC or required by the parties should be used.
- (5) If the Property is located outside the limits of a municipality, Seller notifies Buyer under § 5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) Unless expressly prohibited in writing by the parties, Seller may continue to show the Property for sale and to receive, negotiate and accept back up offers.

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(Address of Property)

(7) Any residential service contract that is purchased in connection with this transaction should be reviewed for the scope of coverage, exclusions and limitations. The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.

**7. PROPERTY CONDITION:**

A. **INSPECTIONS, ACCESS AND UTILITIES:** Buyer may have the Property inspected by an inspector selected by Buyer, licensed by TREC or otherwise permitted by law to make such inspections. Seller shall permit access to the Property at reasonable times for inspection, repairs and treatment and for reinspection after repairs and treatment have been completed. Seller shall pay for turning on utilities for inspection and reinspection.

B. **SELLER'S DISCLOSURE NOTICE PURSUANT TO SECTION 5.008, TEXAS PROPERTY CODE (Notice)** (check one box only):

(1) Buyer has received the Notice.  
 (2) Buyer has not received the Notice. Within \_\_\_ days after the effective date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs.

(3) The Texas Property Code does not require this Seller to furnish the Notice.

C. **SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS** is required by Federal law for a residential dwelling constructed prior to 1978. An addendum providing such disclosure  is  is not attached.

D. **ACCEPTANCE OF PROPERTY CONDITION:** (check one box only):

(1) In addition to any earnest money deposited with escrow agent, Buyer has paid Seller \$\_\_\_\_\_ (the "Option Fee") for the unrestricted right to terminate this contract by giving notice of termination to Seller within \_\_\_ days after the effective date of this contract. If Buyer gives notice of termination within the time specified, the Option Fee will not be refunded, however, any earnest money will be refunded to Buyer. If Buyer does not give notice of termination within the time specified, Buyer will be deemed to have accepted the Property in its current condition and the Option Fee  will  will not be credited to the Sales Price at closing.

(2) Buyer accepts the Property in its present condition; provided Seller, at Seller's expense, shall complete the following repairs and treatment: NONE

E. **LENDER REQUIRED REPAIRS AND TREATMENTS (REPAIRS):** Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs or treatments for wood destroying insects. If the cost of lender required repairs exceeds 5% of the Sales Price, Buyer may terminate this contract.

F. **COMPLETION OF REPAIRS AND TREATMENT.** Unless otherwise agreed by the parties in writing, Seller shall complete all agreed repairs and treatment prior to the Closing Date. Repairs and treatments must be performed by persons who regularly provide such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatment prior to the Closing Date, Buyer may do so and the Closing Date will be extended up to 15 days, if necessary, to complete repairs and treatment or treatments for wood destroying insects.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

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9. **CLOSING:** The closing of the sale will be on or before MAY 1, 2001, or within 7 days after objections to matters disclosed in the Commitment or by the survey have been cured, whichever date is later (the Closing Date). *If financing or assumption approval has been obtained pursuant to Paragraph 4, the Closing Date will be extended up to 15 days if necessary to comply with lender's closing requirements (for example, appraisal, survey, insurance policies, lender-required repairs, closing documents). If either party fails to close this sale by the Closing Date, the non-defaulting party will be entitled to exercise the remedies contained in Paragraph 15. At closing Seller shall furnish tax statements or certificates showing no delinquent taxes and a general warranty deed conveying good and indefeasible title showing no additional exceptions to those permitted in Paragraph 6.*

10. **POSSESSION:** Seller shall deliver possession of the Property to Buyer on CLOSING in its present or required repaired condition, ordinary wear and tear excepted. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a temporary lease form promulgated by TREC or required by the parties will establish a tenancy at sufferance relationship between the parties. *Consult your insurance agent prior to change of ownership or possession as insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.*

11. **SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to this sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)

1) BUYER ACKNOWLEDGES THAT FINANCING AS STIPULATED HERE IN IS A WRAP AROUND MORTGAGE AND BUYER ACCEPTS SAME.

2) BUYER ACCEPTS PROPERTY WHERE IS AS IS WITH ALL FAULTS.

3) SELLER WILL PAY UP TO \$250.00 FOR REPAIRS FOUND OR NEEDED WITHIN 30 DAYS OF CLOSING.

12. **SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

- (1) Appraisal fees will be paid by \_\_\_\_\_
- (2) The total of loan discount fees (including any Texas Veterans' Housing Assistance Program Participation Fee) may not exceed \_\_\_\_\_ % of the loan of which Seller shall pay \_\_\_\_\_ and Buyer shall pay the remainder. The total of any buydown fees may not exceed \_\_\_\_\_ which will be paid by \_\_\_\_\_
- (3) Seller's Expenses: Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses stipulated to be paid by Seller under other provisions of this contract.
- (4) Buyer's Expenses: Loan application, origination and commitment fees; loan assumption costs; preparation and recording of deed of trust to secure assumption; lender required

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expenses incident to new loans, including PMI premium, preparation of loan documents, loan related inspection fee, recording fees, tax service and research fees, warehouse or underwriting fees, copies of restrictions and easements, amortization schedule, premiums for mortgagee title policies and endorsements required by lender, credit reports, photos; required premiums for flood and hazard insurance; required reserve deposit for insurance premiums and ad valorem taxes; interest on all monthly installment notes from date of disbursements to one month prior to dates of first monthly payments; customary Program Loan costs for Buyer; one-half of escrow fee; and other expenses stipulated to be paid by Buyer under other provisions of this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. In no event will Buyer pay charges and fees expressly prohibited by the Texas Veterans' Housing Assistance Program or other governmental loan program regulations.

**13. PRORATIONS:** Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. *If a loan is assumed* and the lender maintains an escrow account, the escrow account must be transferred to Buyer without any deficiency. Buyer shall reimburse Seller for the amount in the transferred account. Buyer shall pay the premium for a new insurance policy. If taxes are not paid at or prior to closing, Buyer will be obligated to pay taxes for the current year.

**14. CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty loss after the effective date of the contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may either (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition and accept an assignment of insurance proceeds. Seller's obligations under this paragraph are independent of any obligations of Seller under Paragraph 7.

**15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs or deliver the Commitment, Buyer may either (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the earnest money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

**16. DISPUTE RESOLUTION:** It is the policy of the State of Texas to encourage the peaceable resolution of disputes through alternative dispute resolution procedures. The parties are encouraged to use an addendum approved by TREC to submit to mediation disputes which cannot be resolved in good faith through informal discussion.

**17. ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to the transaction described in this contract is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

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(Address of Property)

**18. ESCROW:** The earnest money is deposited with escrow agent with the understanding that escrow agent is not (a) a party to this contract and does not have any liability for the performance or nonperformance of any party to this contract, (b) liable for interest on the earnest money and (c) liable for any loss of earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent. At closing, the earnest money must be applied first to any cash down payment, then to Buyer's closing costs and any excess refunded to Buyer. If both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties. If one party makes written demand for the earnest money, escrow agent shall give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 30 days after notice to the other party, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money. Escrow agent's notice to the other party will be effective when deposited in the U. S. Mail, postage prepaid, certified mail, return receipt requested, addressed to the other party at such party's address shown below. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

**19. REPRESENTATIONS:** Seller represents that as of the Closing Date (a) there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing payment of any loans assumed by Buyer and (b) assumed loans will not be in default. If any representation in this contract is untrue on the Closing Date, this contract may be terminated by Buyer and the earnest money will be refunded to Buyer. All representations contained in this contract will survive closing.

**20. FEDERAL TAX REQUIREMENT:** If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. IRS regulations require filing written reports if cash in excess of specified amounts is received in the transaction.

**21. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (list):

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**22. CONSULT YOUR ATTORNEY:** Real estate licensees cannot give legal advice. This contract is intended to be legally binding, READ IT CAREFULLY. If you do not understand the effect of this contract, consult your attorney BEFORE signing.

Buyer's  
Attorney is: \_\_\_\_\_

Seller's  
Attorney is: \_\_\_\_\_

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23. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile machine as follows:

To Buyer at:

\_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Facsimile: \_\_\_\_\_

EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_ (THE EFFECTIVE DATE). (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

*Nora Andrews* 5-10-01  
Buyer

*[Signature]*  
Seller

*Caspin Carter* 5-10-01  
Buyer

Seller

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transaction. It is not suitable for complex transactions, Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512)459-6544 (<http://www.trec.state.tx.us>) TREC NO.20-4. This form replaces TREC NO.20-3.

BROKER INFORMATION AND RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker \_\_\_\_\_

of the total sales price when Listing Broker's fee is received.

Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

Other Broker \_\_\_\_\_

License No. \_\_\_\_\_

Listing Broker \_\_\_\_\_

License No. \_\_\_\_\_

represents  Seller as Listing Broker's subagent

represents  Seller and Buyer as an intermediary

Buyer only as Buyer's agent

Seller only as Seller's agent

Associate \_\_\_\_\_

Telephone \_\_\_\_\_

Listing Associate \_\_\_\_\_

Telephone \_\_\_\_\_

Selling Associate \_\_\_\_\_

Telephone \_\_\_\_\_

Broker Address \_\_\_\_\_

Broker Address \_\_\_\_\_

Telephone \_\_\_\_\_

Telephone \_\_\_\_\_

Facsimile \_\_\_\_\_

Facsimile \_\_\_\_\_

Receipt of  Contract and  \$ \_\_\_\_\_

Earnest Money in the form of \_\_\_\_\_

is acknowledged.

Escrow Agent: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Address \_\_\_\_\_

Telephone: \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Facsimile: \_\_\_\_\_

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SELLER'S DISCLOSURE OF PROPERTY CONDITION (SECTION 5.008, TEXAS PROPERTY CODE) ORIGINAL

CONCERNING THE PROPERTY AT 3123 Lasker, Macoy, Tx 76707 (Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller is not occupying the Property. If unoccupied, how long since Seller has occupied the Property? None

1. The Property has the items checked below [Write Yes (Y), No (N), or Unknown (U)]:

- Range, Dishwasher, Washer/Dryer Hookups, Security System, TV Antenna, Ceiling Fan(s), Central AC, Plumbing System, Patio/Decking, Pool, Pool Equipment, Fireplace(s) & Chimney (Woodburning), Gas Fixtures, Garage Door Opener(s), Water Heater, Water Supply, Roof Type: Composite, Age: New

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair? Yes [X] No [ ] Unknown. If yes, then describe. (Attach additional sheets if necessary):

2. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- Interior Walls, Exterior Walls, Roof, Walls/Fences, Plumbing/Sewers/Septics, Other Structural Components, Ceilings, Doors, Foundation/Slab(s), Driveways, Electrical Systems, Floors, Windows, Basement, Sidewalks, Lighting Fixtures

(Street Address and City)

**ORIGINAL**

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary):

3. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.
- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Active Termites (includes wood-destroying insects) | <input checked="" type="checkbox"/> Termite or Wood Rot Damage     | <input checked="" type="checkbox"/> Previous Termite Damage          |
| <input checked="" type="checkbox"/> Previous, Termite Treatment                        | <input checked="" type="checkbox"/> Needing Repair                 | <input checked="" type="checkbox"/> Improper Drainage                |
| <input checked="" type="checkbox"/> Water Penetration                                  | <input checked="" type="checkbox"/> Previous Flooding              | <input checked="" type="checkbox"/> Present Flood Insurance Coverage |
| <input checked="" type="checkbox"/> Previous Structural or Roof Repair                 | <input checked="" type="checkbox"/> Located in 100-Year Floodplain | <input checked="" type="checkbox"/> Asbestos Components              |
| <input checked="" type="checkbox"/> Urea-formaldehyde Insulation                       | <input checked="" type="checkbox"/> Hazardous or Toxic Waste       | <input checked="" type="checkbox"/> Lead Based Paint                 |
| <input checked="" type="checkbox"/> Aluminum Wiring                                    | <input checked="" type="checkbox"/> Radon Gas                      | <input checked="" type="checkbox"/> Unplatted Easements              |
| <input checked="" type="checkbox"/> Landfill, Settling, Soil Movement, Fault Lines     | <input checked="" type="checkbox"/> Previous Fires                 |  |
|  | <input checked="" type="checkbox"/> Subsurface Structure or Pits   |  |

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary):

4. Are you (Seller) aware of any item, equipment, or system in or on the Property that is in need of repair?  Yes (if you are aware)  No (if you are not aware). If yes, explain (attach additional sheets as necessary):

5. Are you (Seller) aware of any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time.
- Homeowners' Association or maintenance fees or assessments.
- Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others.
- Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property.
- Any lawsuits directly or indirectly affecting the Property.
- Any condition on the Property which materially affects the physical health or safety of an individual.

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary):

Seller	Date	Seller	Date
Buyer		Buyer	
	5-10-01		5-10-01

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

RECEIPT

DATE 5-10-01 No. 413012

RECEIVED FROM Winn & Chain Centers \$1,500<sup>00</sup>

One thousand five hundred <sup>00</sup>/<sub>100</sub> DOLLARS

FOR RENT down payment \$133.00

FOR misc. - 2001

ACCOUNT	<u>11816</u>	<input checked="" type="radio"/> CASH	FROM	TO
PAYMENT	<u>11816</u>	<input type="radio"/> CHECK	<u>Winn &amp; Chain Centers</u>	
BAL. DUE	<u>700.00</u>	<input type="radio"/> MONEY ORDER	BY	<u>[Signature]</u>

2701

PART OF DOWN



DATE	5-1-2001		No. 413006
RECEIVED FROM	Nora & Cristina Contreras		\$300 <sup>00</sup>
	Three Dollars		DOLLARS
FOR RENT	Dream Apartments, 3123 Locke		
FOR			
ACCOUNT	300	00	<input checked="" type="radio"/> CASH
PAYMENT			<input type="radio"/> CHECK
BAL. DUE			<input type="radio"/> MONEY ORDER
	FROM	TO	BY Kandy Lopez/Trepone

Balance  
\$ 1700-

**BALANCE OF  
DOWN**

THIS IS A MERGED INFILE

This Bureau Express Report completed by Factual Data is a Merged Credit Report which includes information retrieved from the following repository(ies):

U - TransUnion Consumer Relations  
(800)888-4213  
PO BOX 1000  
Chester, PA 19022

This Bureau Express Report meets standards set forth by FWA, FHLMC, FHA/VA and the Rural Housing Service. Information has been obtained from sources deemed reliable, the accuracy of which FACTUAL DATA does not guarantee.

PINNACLE INVESTMENTS  
3714 W IVANHOE ST  
CHANDLER, AZ 85226  
(480)831-5067 [0307-000223]  
Source: TROY  
Charges: \$6.36 (01978DBF1AA9)

Page No: 1  
[REDACTED]  
ID: 10307 BX 0004 1812

FACTUAL DATA  
521 ALEXIS COURT  
NAPA, CA 94558  
(707) 256-2020 800-788-8389

Date: 06/04/01  
Time: 11:30:00 am

APPLICANT INFORMATION

APPLICANT'S LAST NAME	[REDACTED]	FIRST NAME	[REDACTED]	INITIAL	[REDACTED]	SOCIAL SECURITY NUMBER	[REDACTED]
SPOUSE'S LAST NAME	[REDACTED]	FIRST NAME	[REDACTED]	INITIAL	[REDACTED]	SOCIAL SECURITY NUMBER	[REDACTED]
PRESENT ADDRESS	[REDACTED]	CITY	[REDACTED]	STATE	[REDACTED]	ZIP CODE	[REDACTED]

SEARCH INFORMATION

Joint TU 06/04/01 11:04  
UJ01 [REDACTED]  
UJ02 [REDACTED]  
UJ03 [REDACTED]

MISCELLANEOUS

A Fraud Search was completed on applicant by searching applicant's name, social security number and address. No fraudulent activity was found  
UJ02

ID: 10307 BX 0004 1812

CREDIT SCORE INFORMATION

FAIR ISAAC/TRANS UNION EMPIRICA INFORMATION: B  
CREDIT RISK SCORE

NOT SCORED: INSUFFICIENT CREDIT

EMPIRICA REASON CODES

- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS

UJ01

FAIR ISAAC/TRANS UNION EMPIRICA INFORMATION: B  
CREDIT RISK SCORE

NOT SCORED: INSUFFICIENT CREDIT

EMPIRICA REASON CODES

- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS

UJ02

FAIR ISAAC/TRANS UNION EMPIRICA INFORMATION: C  
CREDIT RISK SCORE

NOT SCORED: INSUFFICIENT CREDIT

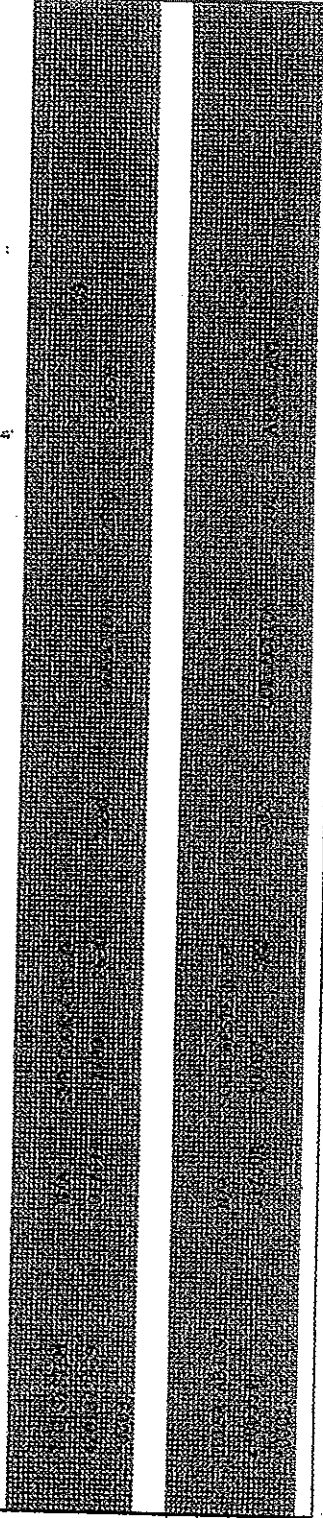
EMPIRICA REASON CODES

- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS
- 000 NO ADVERSE FACTORS #7
- 000 NO ADVERSE FACTORS

UJ03

CREDIT INFORMATION

Creditor Name	Account Number	Date Last Activity	Date Account Opened	Highest Credit Or Limit	Balance Owed As Of Date Reported	Monthly Payment Amount	Amount Past Due	Account History	Number of Times/ Dates Past Due
								30-59 60-89 90 &	Days Days Over



Settlement Statement



**ORIGINAL**

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan		6. File Number	7. Loan Number	8. Mortgage Insurance Case Number
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unis.		
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.			

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower	E. Name and Address of Seller	F. Name and Address of Lender
NORA CONTRERAS & CHRIS CONTRERAS 3123 LASKER WACO, TEXAS 76707	TEPECORP INC. P.O. BOX 8983 WACO, TEXAS 76710	TEPECORP INC. P.O. BOX 8983 WACO, TEXAS 76710

G. Property Location	H. Settlement Agent	I. Settlement Date
3123 LASKER LOT 6 BLOCK 12 HIGHLAND PLACE ADDITION MCLENNAN COUNTY WACO, TEXAS 76707		5-1-2001

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	\$51,000.00
101. Contract sales price	\$51,000.00	401. Contract sales price	\$51,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)		403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes	to	406. City/town taxes	to
107. County taxes	to	407. County taxes	to
108. Assessments	to	408. Assessments	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	\$51,000.00	420. Gross Amount Due To Seller	\$51,000.00
200. Amounts Paid By Or In Behalf of Borrower		500. Reductions in Amount Due To Seller	
201. Deposit of earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. SELLER FINANCING	\$48,450.00	506. SELLER FINANCING	\$48,450.00
207.		507.	
208.		508.	
209.		509.	
Adjustment for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	to	511. County taxes	to
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	\$48,450.00	520. Total Reduction Amount Due Seller	\$48,450.00
300. Cash At Settlement From To Borrower		600. Cash At Settlement To/From Seller	
301. Gross amount due from borrower (line 120)	\$51,000.00	601. Gross amount due to seller (line 420)	\$51,000.00
302. Less amounts paid by/for borrower (line 220)	\$48,450.00	602. Less reductions in amt. due seller (line 520)	\$48,450.00
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$2,550.00	603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$2,550.00

*Nora Contreras 5-10-01*  
*Cesar Contreras Jr.*

ID: 10307 BX 0004 1812

**CREDIT INFORMATION**

Creditor Name Account Number File Verification	Date Last Activity Date Reported	Date Account Opened	Highest Credit Or Limit	Balance Owed As Of Date Reported	Monthly Payment Amount	Months History	Number of Times/ Dates Past Due		
							Amount Past Due	Owner Rey'd	Days Days Over
							3660	3660	3660
* reflects the source of adverse information									

**PUBLIC RECORDS**

NO PUBLIC RECORDS FOUND.

**INQUIRIES**

06/04/01 FICTUAL 603 UJ01 UJ02 UJ03  
 05/24/01 FARMERS INS 4927306 UJ03  
 03/15/01 AT & T 0200175 UJ03

**ADDRESS INFORMATION**

2217 WASHINGTON IN WACO TX 76708 DATE NOT REPORTED  
 UJ01  
 3505 N 20TH A WACO TX 76708 08/96  
 UJ02  
 3110 PARROTT AV WACO TX 76707 DATE NOT REPORTED  
 UJ03

**DATABASE EMPLOYMENT INFORMATION**

NO REPOSITORY EMPLOYMENT INFORMATION FOUND.



**Agent Charges**

Sales/Broker's Commission based on price \$ \_\_\_\_\_ % = \_\_\_\_\_

Division of Commission (line 700) as follows: @ \_\_\_\_\_ % = \_\_\_\_\_

		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
701. \$	to		
702. \$	to		
703. Commission paid at Settlement			
704.			
<b>800. Items Payable in Connection With Loan</b>			
801. Loan Origination Fee	%		
802. Loan Discount	%		
803. Appraisal Fee	to		
804. Credit Report	to		
805. Lender's Inspection Fee			
806. Mortgage Insurance Application Fee to			
807. Assumption Fee			
808.			
809.			
810.			
811.			
<b>900. Items Required By Lender To Be Paid In Advance</b>			
901. Interest From	to @ \$ /day		
902. Mortgage Insurance Premium for	months to		
903. Hazard Insurance Premium for	years to		
904.	years to		
905.			
<b>1000. Reserves Deposited With Lender</b>			
1001. Hazard insurance	months @ \$ per month		
1002. Mortgage insurance	months @ \$ per month		
1003. City property taxes	months @ \$ per month		
1004. County property taxes	months @ \$ per month		
1005. Annual assessments	months @ \$ per month		
1006.	months @ \$ per month		
1007.	months @ \$ per month		
1008.	months @ \$ per month		
1100. Title Charges			
1101. Settlement or closing fee	to		
1102. Abstract or title search	to		
1103. Title examination	to		
1104. Title insurance binder	to		
1105. Document preparation	to		
1106. Notary fees	to		
1107. Attorney's fees	to		
(includes above items numbers:			
1108. Title insurance	to		
(includes above items numbers:			
1109. Lender's coverage	\$		
1110. Owner's coverage	\$		
1111.			
1112.			
1113.			
<b>1200. Government Recording and Transfer Charges</b>			
1201. Recording fees: Deed \$	Mortgage \$		
1202. City/county tax/stamps: Deed \$	Mortgage \$		
1203. State tax/stamps: Deed \$	Mortgage \$		
1204.			
1205.			
<b>1300. Additional Settlement Charges</b>			
1301. Survey	to		
1302. Pest inspection	to		
1303.			
1304.			
1305.			
<b>1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)</b>			

*Nota Continua 5-10-01*

*Carpi Continuum Jr.*

# ORIGINAL Uniform Residential Loan Application

3/23 Parker Chief

This application is designed to be completed by the applicant(s) with the lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

## I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for:  VA  Conventional  Other:  Agency Case Number \_\_\_\_\_ Lender Case Number \_\_\_\_\_

Amount: \_\_\_\_\_ Interest Rate % \_\_\_\_\_ Amortization Type:  Fixed Rate  Other (explain): \_\_\_\_\_  GPM  ARM (type): \_\_\_\_\_

## II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state & zip code) \_\_\_\_\_ No. of Units \_\_\_\_\_

Legal Description of Subject Property (attach description if necessary) \_\_\_\_\_ Year Built \_\_\_\_\_

Purpose of Loan:  Purchase  Construction  Other (explain) \_\_\_\_\_  Refinance  Construction-Permanent \_\_\_\_\_

Property will be:  Primary Residence  Secondary Residence  Investment

Complete this line if construction or construction-permanent loan:

Year Lot Acquired \_\_\_\_\_ (a) Present Value of Lot \_\_\_\_\_ (b) Cost of Improvements \_\_\_\_\_ Total (a + b) \_\_\_\_\_

Complete this line if this is a refinance loan:

Year Acquired \_\_\_\_\_ Amount Existing Liens \_\_\_\_\_ Purpose of Refinance \_\_\_\_\_ Describe improvements  made  to be made \_\_\_\_\_

Title will be held in what Name(s) \_\_\_\_\_ Manner in which Title will be held \_\_\_\_\_ Estate will be held in:  Fee Simple  Leasehold (show expiration date) \_\_\_\_\_

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain) \_\_\_\_\_

## III. BORROWER INFORMATION

Borrower's Name (include Jr. or Sr. if applicable) \_\_\_\_\_ CO-BORROWER \_\_\_\_\_

Abra Contreras Social Security Number \_\_\_\_\_ Home Phone (incl. area code) \_\_\_\_\_ Age \_\_\_\_\_ Yrs. School \_\_\_\_\_

Chris Contreras Jr. Social Security Number \_\_\_\_\_ Home Phone (incl. area code) \_\_\_\_\_ Age \_\_\_\_\_ Yrs. School \_\_\_\_\_

Married  Unmarried (includes single, divorced, widowed)  Dependent(s) (not listed by Co-Borrower) no. \_\_\_\_\_ pages \_\_\_\_\_

Present Address (street, city, state, zip code) \_\_\_\_\_ No. Yrs. \_\_\_\_\_ Months \_\_\_\_\_

1540 Mitchell Waco TX 76708

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, zip code) \_\_\_\_\_ No. Yrs. \_\_\_\_\_ Months \_\_\_\_\_

Former Address (street, city, state, zip code) \_\_\_\_\_ No. Yrs. \_\_\_\_\_ Months \_\_\_\_\_

Former Address (street, city, state, zip code) \_\_\_\_\_ No. Yrs. \_\_\_\_\_ Months \_\_\_\_\_

## IV. EMPLOYMENT INFORMATION

Name & Address of Employer \_\_\_\_\_ Name & Address of Employer \_\_\_\_\_

Self Employed  Yrs. on this job \_\_\_\_\_ Yrs. employed in this line of work/profession \_\_\_\_\_

CO-BORROWER (First Job) Self Employed  Yrs. on this job \_\_\_\_\_ Yrs. employed in this line of work/profession \_\_\_\_\_

The Hub Mens Wear 506 Austin Ave City of Waco 300 Austin Ave

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer \_\_\_\_\_ Name & Address of Employer \_\_\_\_\_

Self Employed  Dates (from-to) \_\_\_\_\_ Dates (from-to) \_\_\_\_\_

Monthly Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

Position/Title/Type of Business \_\_\_\_\_ Position/Title/Type of Business \_\_\_\_\_

Business Phone (incl. area code) \_\_\_\_\_ Business Phone (incl. area code) \_\_\_\_\_

Name & Address of Employer \_\_\_\_\_ Name & Address of Employer \_\_\_\_\_

Self Employed  Dates (from-to) \_\_\_\_\_ Dates (from-to) \_\_\_\_\_

Monthly Income \_\_\_\_\_ Monthly Income \_\_\_\_\_

Position/Title/Type of Business \_\_\_\_\_ Position/Title/Type of Business \_\_\_\_\_

Business Phone (incl. area code) \_\_\_\_\_ Business Phone (incl. area code) \_\_\_\_\_

Je No: 4

██████████  
██████████  
ID: 10307 BX 0004 1812

CONSUMER/GENERAL STATEMENTS

FACTUAL DATA ALERT B ██████████ CURRENT INPUT  
DOES NOT MATCH FILE ADDRESS

U301 U302

FACTUAL DATA ALERT C ██████████ CURRENT INPUT DOES NOT MATCH FILE  
ADDRESS

U303

SUMMARY INFORMATION

OLDEST OPENING CREDIT DATE: 05/96

NUMBER OF INQUIRIES IN LAST 90 DAYS	3
NUMBER OF OPEN REVOLVING TRADES:	0
NUMBER OF OPEN INSTALLMENT TRADES:	0
NUMBER OF BALANCE MONTHLY TRADES:	4
TOTAL NUMBER OF OPEN TRADES:	4
REVOLVING HIGH CREDIT LIMIT:	0
INSTALLMENT HIGH CREDIT LIMIT:	0
BALANCE MONTHLY HIGH CREDIT LIMIT:	3,660
TOTAL HIGH CREDIT LIMIT:	3,660
BALANCE MONTHLY OWED:	3,660
REVOLVING BALANCE OWED:	0
INSTALLMENT BALANCE OWED:	0
TOTAL BALANCE OWED:	3,660
OPEN REVOLVING PAYMENTS:	0
OPEN INSTALLMENT PAYMENTS:	0
TOTAL OPEN PAYMENTS:	0
REVOLVING AMOUNT PAST DUE:	0
INSTALLMENT AMOUNT PAST DUE:	0
BALANCE MONTHLY AMOUNT PAST DUE:	3,660
TOTAL AMOUNT PAST DUE:	3,660
PAYMENTS 30 TO 59 DAYS LATE:	0
PAYMENTS 60 TO 89 DAYS LATE:	0
PAYMENTS 90 AND OVER DAYS LATE:	0
NUMBER OF COLLECTION TRADE LINES:	4
NUMBER OF BANKRUPTCY TRADE LINES:	0
NUMBER OF FORECLOSURE TRADE LINES:	0
NUMBER OF PROFIT AND LOSS TRADE LINES:	0
NUMBER OF REPOSSESSION TRADE LINES:	0
NUMBER OF ADVERSE TRADE LINES:	4
TOTAL NUMBER OF TRADE LINES:	4

END OF REPORT



**V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION**

	Borrower	Co-Borrower	Total	Consolidated Monthly Housing Expense	Present	Proposed
Gross Monthly Income	\$ 946.00	\$ 540.27	\$	Rent	\$ 400.00	\$
Base Empl. Income*	340.00		\$	First Mortgage (P&I)		\$
Overtime	530.00		\$	Other Financing (P&I)		\$
Bonuses			\$	Hazard Insurance		\$
Commissional/fees/Exp.	150.00		\$	Real Estate Taxes		\$
Dividends/Interest			\$	Mortgage Insurance		\$
Net Rental Income			\$	Homeowner's Assn. Dues		\$
Other income (rental, royalties, etc.)			\$	Other:	\$ 400.00	\$
Total	\$ 2,066.00	\$ 1,170.58	\$	Total	\$ 400.00	\$

\* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income: **Notice:** Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Monthly Amount
	\$

**VI. ASSETS AND LIABILITIES**

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise separate Statements and Schedules are required. If the Co-Borrower section was completed about a spouse, this Statement and supporting schedules must be completed about that spouse also. Completed  Jointly  Not jointly

**LIABILITIES**  
Name and address of Company

**ASSETS**  
Cash deposit toward purchase held by: \$

Liabilities and pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock, pledges, etc. Use continuation sheet, if necessary. Indicate by (C) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.

Account no. Name and address of Company

List checking and savings accounts below  
Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

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Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Account no. Name and address of Company

Account no. Name and address of Bank, S&L, or Credit Union

Total Monthly Payments \$

**VI. ASSETS AND LIABILITIES (cont.)**

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
<b>Totals</b>		\$	\$	\$	\$	\$	\$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name

Account Number

Creditor Name

**VII. DETAILS OF TRANSACTION**

Purchase price	\$
Alterations, improvements, repairs	
Land (if acquired separately)	
Refinance (incl. debts to be paid off)	
Estimated prepaid items	
Estimated closing costs	
PMI, MIP, Funding Fee	
Discount (if Borrower will pay)	
<b>Total costs (add items a through h)</b>	
Subordinate financing	
Borrower's closing costs paid by Seller	
<b>Other Credits (explain)</b>	

**VIII. DECLARATIONS**

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.

- a. Are there any outstanding judgments against you?
- b. Have you been declared bankrupt within the past 7 years?
- c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?
- d. Are you a party to a law suit?
- e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)
- f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.
- g. Are you obligated to pay alimony, child support, or separate maintenance?
- h. Is any part of the down payment borrowed?
- i. Are you a co-maker or endorser on a note?
- j. Are you a U.S. citizen?
- k. Are you a permanent resident alien?
- l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.
- m. Have you had an ownership interest in a property in the last three years? (1) What type of property did you own—principal residence (PR), second home (SH), or investment property (IP)? (2) How did you hold title to the home—solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?

**IX. ACKNOWLEDGMENT AND AGREEMENT**

The undersigned specifically acknowledge(s) and agree(s) that: (1) the loan requested by this application will be secured by a first mortgage or deed of trust on the property described herein; (2) the property will not be used for any illegal or prohibited purpose or use; (3) all statements made in this application are made for the purpose of obtaining the loan indicated herein; (4) occupation of the property will be as indicated above; (5) verification or reverification of any information contained in the application may be made at any time by the Lender, its agents, successors and assigns, either directly or through a credit reporting agency, from any source named in this application, and the original copy of this application will be retained by the Lender, even if the loan is not approved; (6) the Lender, its agents, successors and assigns will rely on the information contained in the application and I/we have a continuing obligation to amend and/or supplement the information provided in this application if any of the material facts which I/we have represented herein should change prior to closing; (7) in the event my/our payments on the loan indicated in this application become delinquent, the Lender, its agents, successors and assigns, may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency; (8) ownership of the loan may be transferred to successor or assign of the Lender without notice to me and/or the administration of the loan account may be transferred to an agent, successor or assign of the Lender with prior notice to me; (9) the Lender, its agents, successors and assigns make no representations or warranties, express or implied, to the Borrower(s) regarding the property, the condition of the property, or the value of the property.

Certification: I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq, and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Borrower's Signature: \_\_\_\_\_ Date: 27 Apr 2001 Co-Borrower's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

X *Mra Carter* \_\_\_\_\_ X *Catherine Carter* \_\_\_\_\_

**X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES**

The following information is requested by the Federal Government for certain types of loans related to a dwelling, in order to monitor the Lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the Lender is subject under applicable state law for the particular type of loan applied for.)

**BORROWER**  I do not wish to furnish this information

Race/National Origin:  American Indian or Alaskan Native  Asian or Pacific Islander  Black, not of Hispanic origin  White, not of Hispanic origin  Hispanic  Other (specify) \_\_\_\_\_

Sex:  Female  Male

**CO-BORROWER**  I do not wish to furnish this information

Race/National Origin:  American Indian or Alaskan Native  Asian or Pacific Islander  Black, not of Hispanic origin  White, not of Hispanic origin  Hispanic  Other (specify) \_\_\_\_\_

Sex:  Female  Male

To be Completed by Interviewer

This application was taken by:  face-to-face interview  by mail  by telephone

Interviewer's Name (print or type) \_\_\_\_\_ Interviewer's Signature \_\_\_\_\_ Interviewer's Phone Number (incl. area code) \_\_\_\_\_

Name and Address of Interviewer's Employer \_\_\_\_\_ Date \_\_\_\_\_

Creation

Contractor

# Request for Verification of Employment

**ORIGINAL**

**Privacy Act Notice:** This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective manager under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective manager or borrower may be delayed or rejected. The information requested in this form is authorized by Title 28, USC, Chapter 27 (if WAF by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CFO); and Title 42 USC, 1471 et. seq. or 7 USC, 1821 et. seq. (if USA/Farm-4).

**Instructions:** Lender - Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1. Employer - Please complete either Part I or Part II as applicable. Complete Part IV and return directly to lender named in item 2. The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.

### Part I - Request

1. To (Name and address of employer)  
 City of Waco  
 300 Austin Ave.

2. From (Name and address of lender)

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of Lender

4. Title

5. Date

6. Lender's No. (Optional)

I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and address of Applicant (Include employee or badge number)  
 Chris Contreras Jr.

### Part II - Verification of Present Employment

8. Applicant's Date of Employment: 3-27-00

10. Present Position: Building Attendant

11. Probability of Continued Employment: Good

12A. Current Gross Base Pay (Enter Amount and Check Period): Annual \$67,534

13. For Military Personnel Only

Pay Grade	Monthly Amount
Type	
Base Pay	\$
Reasons	\$
Flight or Hazard	\$
Docking	\$
Quarters	\$
Pro Pay	\$
Overseas or Combat	\$
Variable Housing Allowance	\$

14. If Overtime or Bonus is Applicable in its Consequence Library? Overtime  Yes  No Bonus  Yes  No

15. If paid hourly - average hours per week: 40

16. Date of applicant's next pay increase: Unknown

17. Projected amount of next pay increase: 6% of the last pay

18. Date of applicant's last pay increase: 9-24-00

19. Amount of last pay increase: 6.37%

20. Furnish (if employee was off work for any length of time, please indicate the period and reason)

### Part III - Verification of Previous Employment

21. Date Hired

22. Date Terminated

23. Salary/Wage at Termination Per (Year) (Month) (Week)

24. Reason for Leaving

25. Position Held

26. Bonus

27. Commission

### Part IV - Authorized Signature

Federal Bureaus provide penalties for any fraud, intentional misrepresentation, or criminal conduct or conspiracy purposed to influence the issuance of any quantity of insurance by the VA Secretary, the U.S.D.A., FIRM/FHA Commissioner, or the HUD/CFO Assistant Secretary.

28. Signature of Employer: Susan Purdyear

29. Title (Please print or type): Accounting Tex (400)

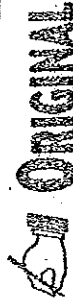
30. Phone No.:

31. Date: 4-27-01



Borrower/Client	UNKNOWN	File No.	01-024
Property Address	3123 LASKER		
City	WACO	State	TX
Lender	PINNACLE INVESTMENTS INC.	Country	MCLENNAN
		Zip Code	76707

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Borrower UNKNOWN	File No. 01-024
Property Address 3123 LASKER	
City WACO	State TX
County MCLENNAN	Zip Code 76707
Lender TEPE CORPORATION	

### APPRAISAL AND REPORT IDENTIFICATION

This appraisal conforms to one of the following definitions:

- Complete Appraisal (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- Limited Appraisal (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

- Self Contained (A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Summary (A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Restricted (A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1 for client use only.)

### Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:


- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have (or have not) made a personal inspection of the property that is the subject of this report.

### Comments on Appraisal and Report Identification

Note any departures from Standards Rules 1-2, 1-3, 1-4, plus any USPAP-related issues requiring disclosure:

1. THE CLIENT IS TEPE CORPORATION & THE INTENDED USE OF THIS APPRAISAL IS FOR THE BUYER TO OBTAIN A HOME MORTGAGE, & ANY ASSIGNS OR PROPOSED ASSIGNS OF THIS PROPERTY AS COLLATERAL & ANY LOAN BROKER THAT MAY BE INVOLVED.
2. THE INCOME APPROACH TO VALUE IS NOT APPLICABLE IN THIS INSTANCE DUE TO THE LACK OF RENTAL DATA IN THIS MARKET AREA; THEREFORE, THERE IS NO DEPARTURE FROM THE STANDARDS RULE 1-4
3. THE SCOPE OF WORK INCLUDES BUT NOT LIMITED A MLS SYSTEM, APPRAISAL DISTRICT, & DEED OF RECORDS. INFORMATION WAS RECEIVED FROM CLIENTS, REALTORS & OWNER, NOT ALL THE INFORMATION WAS SUITABLE FOR THE REPORT, SOME WAS CONSIDERED SUSPECT, SOME MAY NOT HAVE BEEN DISCOVERED & NOT ANALYZED.

### APPRAISER:

Signature:   
 Name: BOB CHITTENDEN  
 Date Signed: 03/09/01  
 State Certification #: TX-1327510-R  
 or State License #:  
 State: TX  
 Expiration Date of Certification or License: 10/31/2001

### SUPERVISORY APPRAISER (only if required):

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 01-024

Property Address 3123 LASKER City WACO State TX Zip Code 76707
Legal Description LOT 6, BLOCK 13, HIGHLAND County MCLENNAN
Assessor's Parcel No. 480226000165002 Tax Year 00 R.E. Taxes \$ 450.00 Special Assessments \$ 0.00
Borrower UNKNOWN Current Owner TEPE CORP Occupant Tenant X Vacant
Property rights appraised Fee Simple Leasehold PUD Condominium (HUDVA only) HOA \$ /Mo.
Neighborhood or Project Name HIGHLAND Map Reference H-08 Census Tract 10
Sale Price \$ 51,900 Date of Sale Description and \$ amount of loan charges/concessions to be paid by seller NONE

Lender/Client PINNACLE INVESTMENTS INC Address 3714 W. CHANDLER AZ, 85226
Appraiser BOB CHITTENDEN Address 304 RODEO DRIVE, BOERNE, TX 78006
Location Urban X Suburban X
Built up Over 75% 25-75% Under 25%
Growth rate Rapid X Stable X Slow X
Property values Increasing X Stable X Declining X
Demand/supply Shortage X In balance X Over supply X
Marketing time Under 3 mos. 3-6 mos. Over 6 mos.

Note: Race and the racial composition of the neighborhood are not appraisal factors.
Neighborhood boundaries and characteristics: THE BOUNDARIES OF THE AREA ARE WACO DRIVE TO THE SOUTH, 15 TH STREET TO THE EAST, HERRING AVENUE TO THE NORTH, & 39 TH STREET TO THE WEST WHICH IS A SUBURBAN AREA IN WACO.
Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.): THIS PROPERTY IS LOCATED ON AN AVERAGE SIZED CITY LOT WITHIN THE CITY LIMITS OF WACO. THE AREA IS LOCATED NEAR THE WACO LAKE & THE BRAZOS RIVER WHICH OFFERS WATER SPORTS YEAR AROUND. THE SUBDIVISION IS TWO MILES FROM DOWNTOWN WACO WHICH PROVIDES LARGE CITY AMENITIES & PROVIDES THE IMMEDIATE AMENITIES SUCH AS SHOPPING, HOSPITALS & RECREATIONAL FACILITIES. THE AREA OFFERS A RESORT & RETIREMENT COMMUNITY. THE MARKET AREA VALUES HAVE INCREASED SLIGHTLY IN THE LAST FEW YEARS.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):
THE AREA HAS EXPERIENCED NEW CONSTRUCTION THAT REMAINS STRONG. MOST OF THE SALES ARE FINANCED BY CONVENTIONAL MONEY FROM BANKS, SAVINGS & LOANS & MORTGAGE BANKERS. THE MARKETING CONDITIONS IN THE AREA HAVE LOW INTEREST RATES DEPENDING ON THE TYPE OF MORTGAGE. MOST OF THE SELLERS ARE NOT PAYING ANY FINANCIAL CONCESSIONS. THE MARKET CONDITIONS IN THE AREA ARE CONSIDERED STABLE & IN BALANCE AT THIS TIME. THE SUBJECT AREA HAS A LOW TURN OVER RATE.

Project information for PUDs (if applicable) -- is the developer/builder in control of the Home Owners' Association (HOA)? Yes X No
Approximate total number of units in the subject project
Describe common elements and recreational facilities:

Dimensions 50X188
Site area 9,400 Corner Lot Yes X No
Specific zoning classification and description RESIDENTIAL
Zoning compliance X Legal X Legal nonconforming (Grandfathered use) Illegal No zoning
Highest & best use as improved X Present use Other use (explain)
Utilities Public X Other
Electricity X Off-site improvements Street ASPHALT Public Private
Gas X Curb/gutter CONCRETE X X X
Water X Sidewalk CONCRETE X X X
Sanitary sewer X Street lights ELECTRIC X X X
Storm sewer X Alley DIRT X X X

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.):
PROPERTY HAS NO KNOWN EASEMENTS, SET BACKS OR ENCROACHMENTS. TYPICAL WATER, POWER & TELEPHONE LINES ARE IN PLACE. HOWEVER, A CURRENT SURVEY & TITLE POLICY ARE RECOMMENDED FOR THAT FINAL DETERMINATION.

Table with columns: EXTERIOR DESCRIPTION, FOUNDATION, P & B, Slab, Crawl Space, Basement, Sump Pump, Dampness, Settlement, Infestation, Family Rm., Rec. Rm., Bedrooms, Laundry, Bathrooms, # Baths, Area Sq. Ft.
Rows include: No. of Units, No. of Stories, Type (Det./Att.), Design (Style), Existing/Proposed, Age (Yrs.), Effective Age (Yrs.), Foyer, Living, Dining, Kitchen, Den, Manufactured House.

Table with columns: INTERIOR, Materials/Condition, HEATING, CENTRA, KITCHEN EQUIP., ATTIC, AMENITIES, CAR STORAGE, GARAGE.
Rows include: Floors, Walls, Trim/Finish, Bath Floor, Bath Wainscot, Doors, Square Feet of Gross Living Area, # of cars, # of cars.

Additional features (special energy efficient items, etc.): CEILING FANS, & AVERAGE INSULATION, & CENTRAL HEATING PROVIDE ENERGY EFFICIENCY. THE PROPERTY HAS A CHAIN LINK & AVERAGE LANDSCAPING.
Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: THE SUBJECT IS A FRAME HOME WITH A COVERED FRONT PORCH. THE HOME HAS BEEN LEVELED, PAINTED INSIDE & OUT, WITH NEW CARPET & VINYL FLOORING & A NEW AIR CONDITIONER. THE HOME HAS BEEN UPDATED WHICH MAKES THE EFFECTIVE AGE OF THE HOME IS LESS THAN ITS ACTUAL AGE. THE HOME HAS A WOOD BURNING FIREPLACE.
Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: NO VISIBLE APPARENT HAZARDOUS MATERIALS WERE STORED ON OR NEAR THE SUBJECT PROPERTY. NO ADVERSE ENVIRONMENTAL CONDITIONS NOTED; LEAD BASED PAINT & ASBESTOS CONTENT ARE ASSUMED.

**UNIFORM RESIDENTIAL APPRAISAL REPORT**

File No. 01-024

Valuation Section

ESTIMATED SITE VALUE = \$ 3,500  
 COMMENTS ON COST APPROACH (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): COST & DEPRECIATION DATE FROM MARSHALL & SWIFT RESIDENTIAL HANDBOOK LOCAL MULTIPLIER 91. SITE VALUE FROM CAD & LOCAL SALES. NO FUNCTIONAL OR EXTERNAL DEPRECIATION NOTED. AS-IS VALUE OF SITE IMPROVEMENTS INCLUDE DRIVEWAY, FENCE, & LANDSCAPING.

ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:  
 Dwelling 1,487 Sq. Ft. @ \$ 40.63 = \$ 60,417  
 Sq. Ft. @ \$ =  
 P&B, FLR, PLB, BINS, CPOR, = 10,020  
 Garage/Carport 412 Sq. Ft. @ \$ 8.00 = 3,296  
 Total Estimated Cost New = \$ 73,733

Less Physical Functional External  
 Depreciation 24,575  
 Depreciated Value of Improvements = \$ 49,158  
 \*As-is\* Value of Site Improvements = \$ 1,200  
 INDICATED VALUE BY COST APPROACH = \$ 53,858

**COST APPROACH**

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
3123 LASKER	3721 TRICE	3425 PARROTT	3210 PARROTT	
Address	WACO	WACO	WACO	
Proximity to Subject	7 BLOCKS	3 BLOCKS	1 BLOCK	
Sales Price	\$ 51,000	\$ 51,000	\$ 42,000	\$ 44,900
Price/Gross Living Area	\$ 34.30	\$ 35.86	\$ 32.66	\$ 35.63
Data and/or Verification Source	MLS, INSPECT	DOM 54	DOM 28	DOM 201
CAD RECORD	CAD RECORDS	CAD RECORDS	CAD RECORDS	CAD RECORDS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales of Financing	FHA	CASH	FHA	FHA
Concessions	S/\$2700/CCOST	-2,700	NONE	NONE
Date of Sale/Time	11/06/00	10/10/00	10/10/00	10/10/00
Location	HIGHLAND	HIGHLAND	HIGHLAND	HIGHLAND
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
Site	9,400 SF	8,512 SF	10,875 SF	8,250 SF
View	RESIDENTIAL	RESIDENTIAL	RESIDENTIAL	RESIDENTIAL
Design and Appeal	TRD/STUCCO	TRAD/FRM	TRAD/FRM	RAD/BV
Quality of Construction	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Age	8/1/20	5/1/15	5/4/15	7/4/20
Condition	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Above Grade	Total :Bdrms : Baths	Total :Bdrms : Baths	Total :Bdrms : Baths	Total :Bdrms : Baths
Room Count	6 : 3 : 2	7 : 3 : 1	6 : 3 : 1	5 : 2 : 1
Gross Living Area	1,487 Sq. Ft.	1,422 Sq. Ft.	1,286 Sq. Ft.	1,260 Sq. Ft.
Basement & Finished Rooms Below Grade	NONE	NONE	NONE	NONE
Functional Utility	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Heating/Cooling	C/H/A	C/H/A	C/H/A	C/H/A
Energy Efficient Items	C/FANS	C/FANS	C/FANS	C/FANS
Garage/Carport	2 CG	1 CG	1 CG	1 CG
Porch, Patio, Deck, Fireplace(s), etc.	CPOR	CPOR	CPOR	CPOR/PAT
Fence, Pool, etc.	FENCE	FENCE	FENCE	FENCE
Net Adj. (total)	+ 475	+ 475	+ 7,513	+ 5,716
Adjusted Sales Price of Comparable	\$ 50,525	\$ 50,525	\$ 49,513	\$ 50,616

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): ALL COMPAREABLE SALES ARE FROM THE SAME OR COMPETITIVE SUBDIVISION. ALL ARE AVERAGE QUALITY HOMES WITH SIMILAR DESIGN, APPEAL, CONSTRUCTION, & AMENITIES. THE SALE INCLUDED IN THE REPORT ARE THE BEST AVAILABLE AT THIS TIME & ARE INCLUDED FOR THEIR AGE, LOT SIZE, SQ. FT., CONDITION, & AMENITIES. THE ADJUSTMENTS ARE REFLECTIVE OF THE LOCAL MARKET & ARE WITHIN THE APPRAISAL FOUNDATION ESTABLISHED LIMITS. ALL OF THE COMPAREABLES ARE CLOSED SALES AS OF THE DATE OF THE APPRAISAL.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	APPRaisal DIS BUYER	MLS, APPRAISAL DIST NONE	MLS, APPRAISAL DIST NONE	MLS, APPRAISAL DIST NONE

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: THE SUBJECT PROPERTY IS NOT UNDER CONTRACT & IS OFFERED FOR SALE. A REVIEW OF AVAILABLE DATA INDICATED THAT NONE OF THE HOMES HAVE SOLD IN THE LAST YEAR.

**INDICATED VALUE BY SALES COMPARISON APPROACH**

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ /Mo. x Gross Rent Multiplier = \$ 50,300

This appraisal is made  "as is"  subject to the repairs, alterations, inspections or conditions listed below  subject to completion per plans & specifications. Conditions of Appraisal: THE REPAIRS MADE ON THE HOME INCLUDE PAINTING INSIDE & OUT, NEW FLOOR COVERINGS, HOUSE LEVELED, NEW A/C UNIT, & NEW PLUMBING FIXTURES. THERE IS NO PERSONAL PROPERTY INCLUDED IN THE REPORT.

Final Reconciliation: THE SALES COMPRISON APPROACH REFLECTS THE MOST CURRENT VALUE, & IS CONSIDERED TO BE THE MOST ACCURATE INDICATOR OF MARKET VALUE. THE COST APPROACH SUPPORTS THE MARKET RANGE. THE INCOME APPROACH WAS CONSIDERED BUT NOT USED DUE TO THE LACK OF RENTAL DATA IN THE IMMEDIATE AREA.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FMVA form 1004B (Revised 06/93).

(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 03/05/01 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 50,500

APPRaiser: Signature: *Bob Chittenden* SUPERVISORY APPRAISER (ONLY IF REQUIRED):  
 Name: BOB CHITTENDEN Date Report Signed: 03/09/01  
 State Certification # TX-1327510-R State TX Or State License # State State  
 Signature: \_\_\_\_\_ Date Report Signed: \_\_\_\_\_  
 Name: \_\_\_\_\_ State Certification # \_\_\_\_\_  
 Or State License # \_\_\_\_\_ State \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date Report Signed: \_\_\_\_\_  
 Name: \_\_\_\_\_ State Certification # \_\_\_\_\_  
 Or State License # \_\_\_\_\_ State \_\_\_\_\_



**SUPPLEMENTAL ADDENDUM**

File No. 01-024

Borrower/Client	UNKNOWN
Property Address	3123 LASKER
City	WACO
Lender	TEPE CORPORATION
County	MCLENNAN
State	TX
Zip Code	76707

**GENERAL:**

SUBJECT IS A ONE STORY, TRADITIONAL STYLE HOME ON AN AVERAGE SIZED CITY LOT. THE HOME HAS A CAR DETACHED GARAGE, IN THE REAR OF THE FENCED PROPERTY. THE INTERIOR OF THE HOME HAS A LIVINGROOM, KITCHEN, DINING ROOM, THREE BEDROOMS, & TWO BATH ROOMS. THE HOME HAS A CENTRAL AIR CONDITIONING UNIT.

**COST APPROACH COMMENTS:**

COST FIGURES UTILIZED IN THE COST APPROACH ARE DERIVED FROM ONE OR MORE OF THE FOLLOWING SOURCES. MARSHALL & SWIFT COST HANDBOOK, DISCUSSIONS WITH BUILDERS, OR REVIEWING ACTUAL COST FIGURES. ACCURED DEPRECIATION IS ESTIMATED USING THE ECONOMIC AGE/LIFE METHOD. THIS METHOD CONSIDERS FUNCTIONAL, EXTERNAL & PHYSICAL DEPRECIATION. NO FUNCTIONAL OR EXTERNAL OBSOLESCENCE WAS OBSERVED AT THE TIME OF THE INSPECTION. THE LAND VALUE RATIO IS TYPICAL FOR THE AREA.

**SALES COMPARISON COMMENTS:**

ALL THE COMPARABLE SALES ARE CLOSED SALES. THE INDICATED VALUES ARE CONSIDERED EQUALLY VALID. NO ADJUSTMENT IS MADE FOR THE DATE OF SALE. INFLATION IS INCREASING AT THE RATE OF 2% PER YEAR. IT IS DESIRED TO KEEP ALL COMPARABLE SALES WITHIN THE PAST SIX MONTHS. IN THIS CASE ALL THE SALES ARE WITHIN THE LAST SIX MONTHS.

SALE #1 WAS ADJUSTED FOR THE SELLER PAYING SOME OF THE BUYER CLOSING COSTS, LOT SIZE, LACK OF STUCCO, AGE, BATH, SQ FOOTAGE, & FIREPLACE.

SALE #2 WAS ADJUSTED FOR THE LOT SIZE, LACK OF STUCCO, AGE, BATH, SQ FOOTAGE, LACK OF CENTRAL HEAT & AIR UNIT & A ONE CAR GARAGE.

SALE #3 WAS ADJUSTED FOR THE LOT SIZE, BATH, SQ FOOTAGE, & ONE CAR GARAGE.

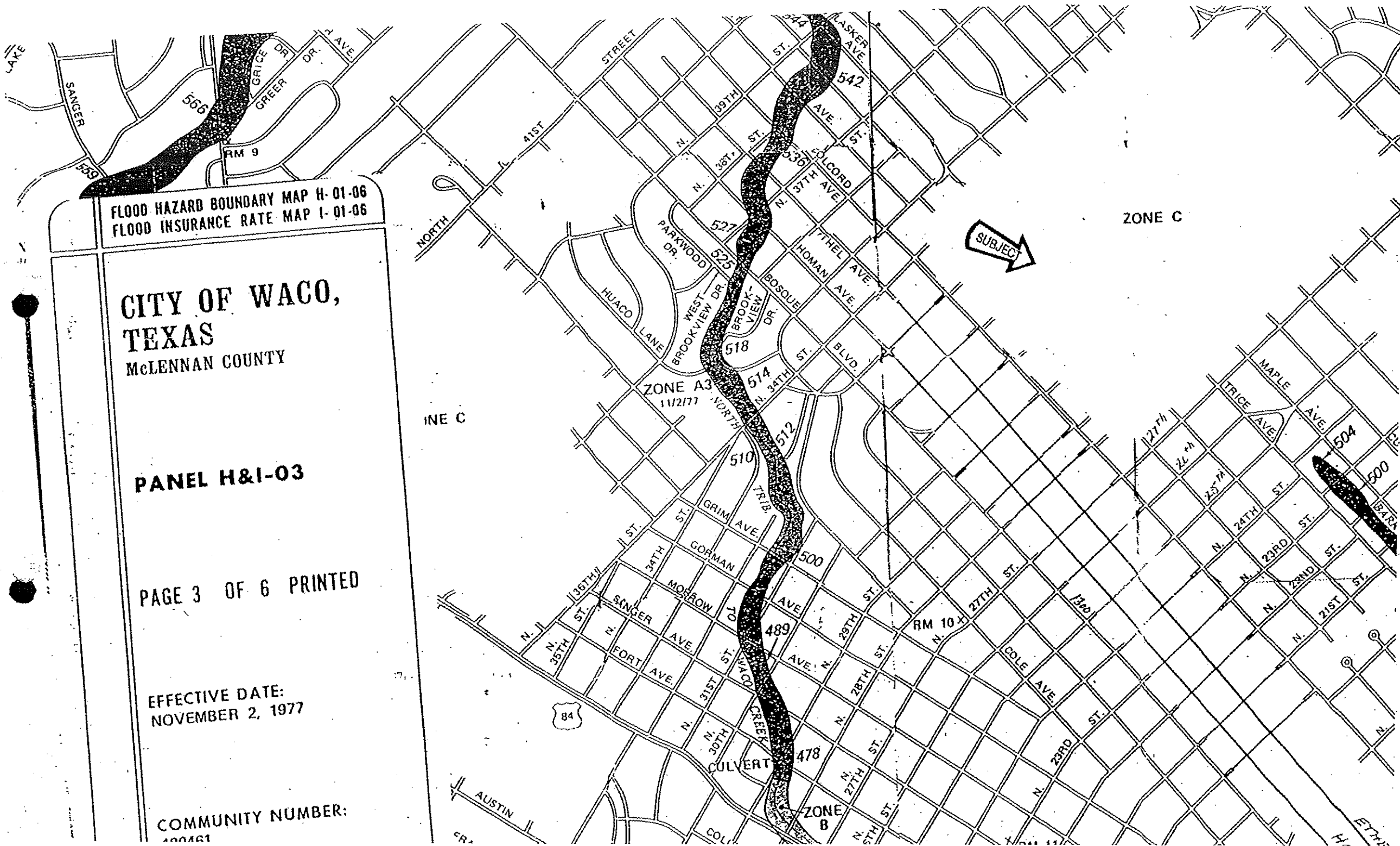
THE SQ FOOTAGE ADJUSTMENT WAS MADE AT \$18 A SQ FT, & THE LAND ADJUSTMENTS WAS MADE AT \$20 PER SQ FEET. THE AGE ADJUSTMENTS WERE BASED ON .05 % PER YEAR OF THE SALES PRICE. OTHER ADJUSTMENTS REPRESENT THE OPINION OF VALUE OF THE FEATURE AS PERCEIVED BY PROSPECTIVE BUYERS. THE VALUE RANGE DETERMINED BY THIS APPROACH WAS FROM \$50,000 TO \$51,000. THE NET ADJUSTMENTS RANGED FROM 1% TO 18% & THE GROSS ADJUSTMENT RANGED FROM 14% TO 20%. ALL THE COMPARABLE SALES PROVIDED WEIGHTED INPUTS TO THE FINAL MARKET VALUE FIGURES. THE NET ADJUSTMENT OF COMPARABLE #2 EXCEEDED THE ALLOWABLE LIMITS BECAUSE OF THE ALL THE ADJUSTMENTS WHICH WERE MADE.

**RECONCILIATION:**

ALL THREE APPROACHES TO VALUE WERE CONSIDERED IN DEVELOPING THE FINAL ESTIMATE. THE INCOME APPROACH WAS ELIMINATION DUE TO THE LACK OF RENTAL INFORMATION IN THE SUBJECT AREA. THE COST APPROACH TENDS TO LOSE RELIABILITY WITH AGE OF THE HOME, AND OR IN A RECOVERING ENVIRONMENT. THE MARKET ANALYSIS APPROACH IS THE CLEARST INDICATION OF MARKET VALUE WHEN THERE IS SUFFICIENT INFORMATION BASED ON AN ACTIVE RESALE MARKET. THE VALUE IN THIS INSTANCE IS SUPPORTED BY THE COST APPROACH.

INCOME APPROACH	=N/A
COST APPROACH	=\$54,000
MARKET APPROACH	=\$50,300

THE MARKET VALUE OF THE SUBJECT PROPERTY IS \$50,500.



FLOOD HAZARD BOUNDARY MAP H-01-06  
FLOOD INSURANCE RATE MAP I-01-06

# CITY OF WACO, TEXAS

McLENNAN COUNTY

PANEL H&I-03

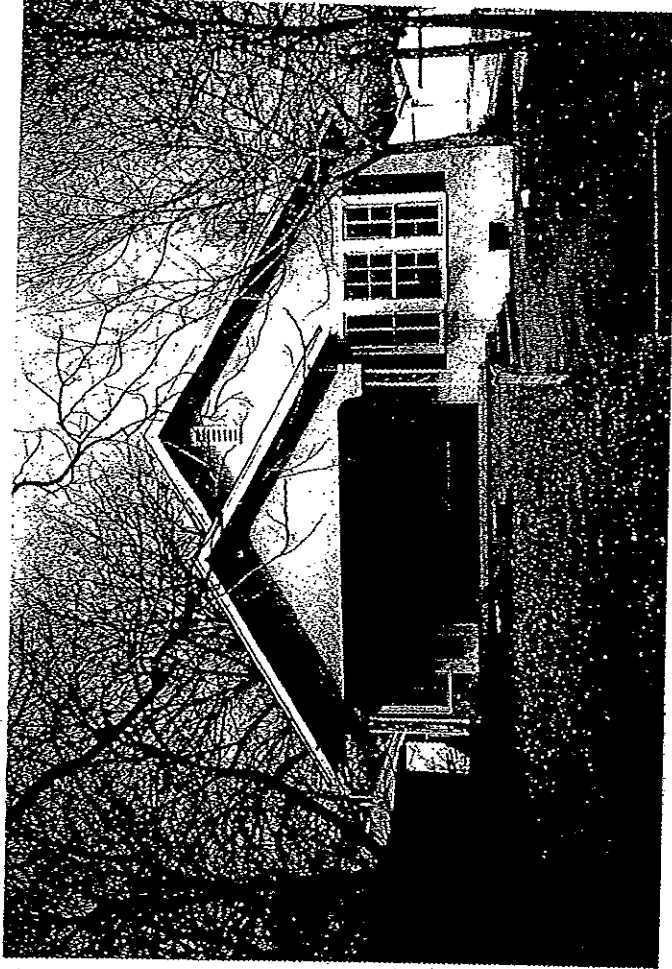
PAGE 3 OF 6 PRINTED

EFFECTIVE DATE:  
NOVEMBER 2, 1977

COMMUNITY NUMBER:  
100461

# Subject Photo Page

Borrower/Client	UNKNOWN
Property Address	3123 LASKER
City	WACO
Lender	TEPE CORPORATION
County	MCLENNAN
State	TX
Zip Code	76707



## Subject Front

3123 LASKER  
Sales Price 51,000  
Gross Living Area 1,487  
Total Rooms 6  
Total Bedrooms 3  
Total Bathrooms 2  
Location HIGHLAND  
View RESIDENTIAL  
Site 9,400 SF  
Quality AVERAGE  
Age 81/20



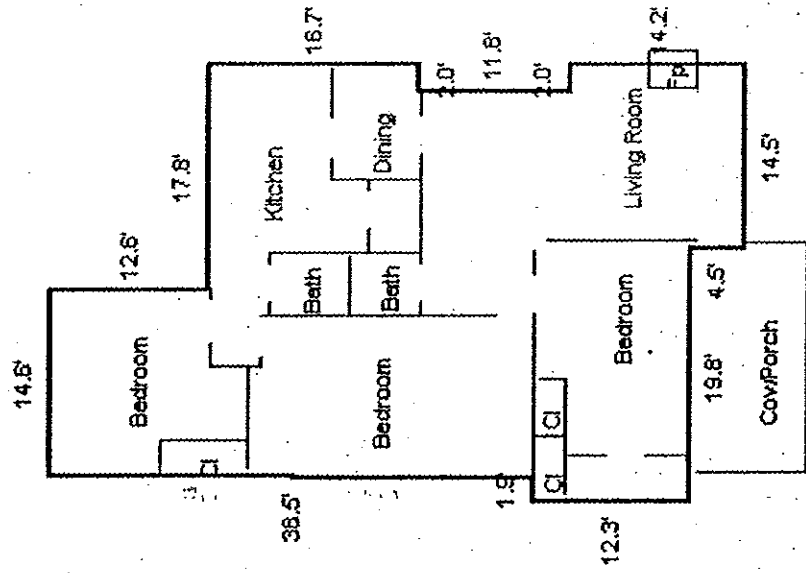
## Subject Rear



## Subject Street

**Building Sketch**

Borrower/Clerk UNKNOWN	
PROPERTY ADDRESS 3123 LASKER	
CITY WACO	STATE TX
COUNTRY MCLENNAN	
Zip Code 76707	
Lender TEPE CORPORATION	



SKETCH CALCULATIONS	
	<p>A1 : 14.0 x 12.0 = 184.0</p> <p>A2 : 32.4 x 16.7 = 541.1</p> <p>A3 : 30.4 x 9.2 = 279.7</p> <p>A4 : 32.3 x 2.6 = 84.0</p> <p>A5 : 34.3 x 9.7 = 332.7</p> <p>A6 : 14.5 x 4.5 = 65.3</p>
	First Floor 1486.8
	Total Living Area 1486.8

# Comparable Photo Page

Borrower/Client UNKNOWN

Property Address 3123 LASKER

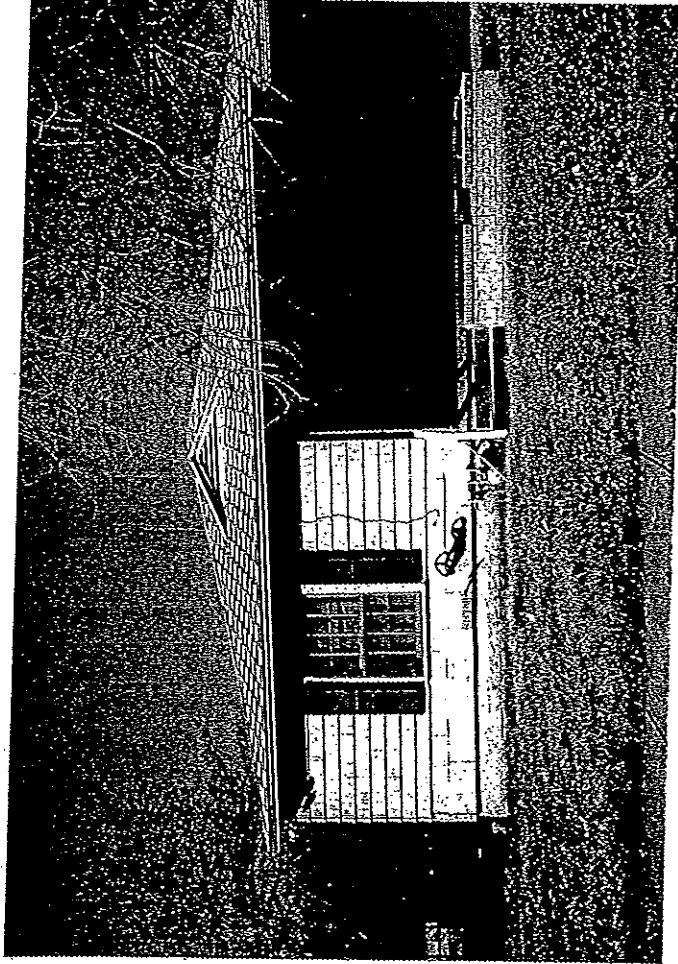
City WACO

County MCLENNAN

State TX

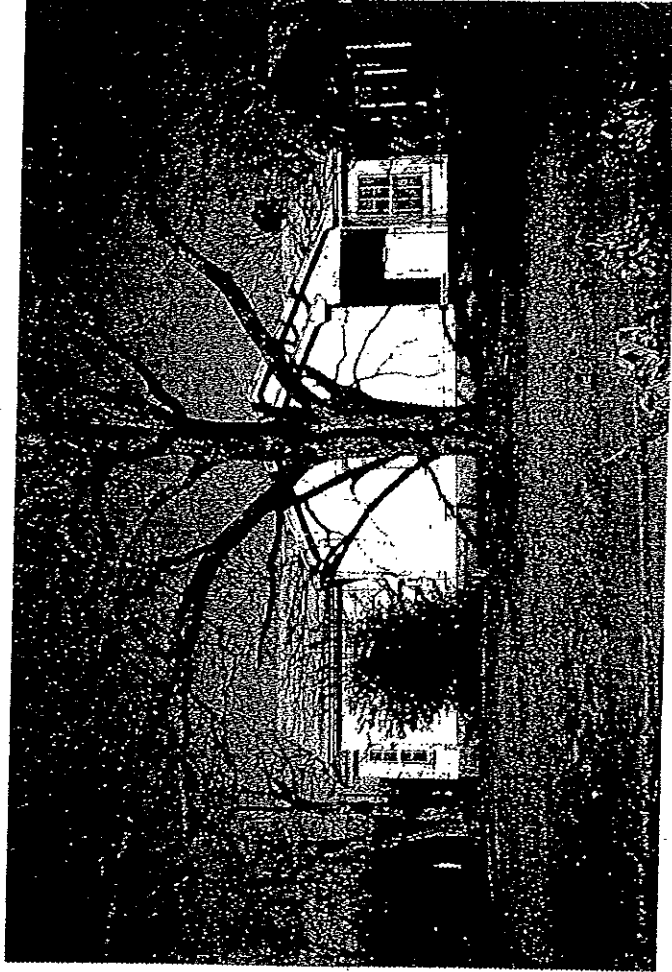
Zip Code 76707

Lender TEPE CORPORATION



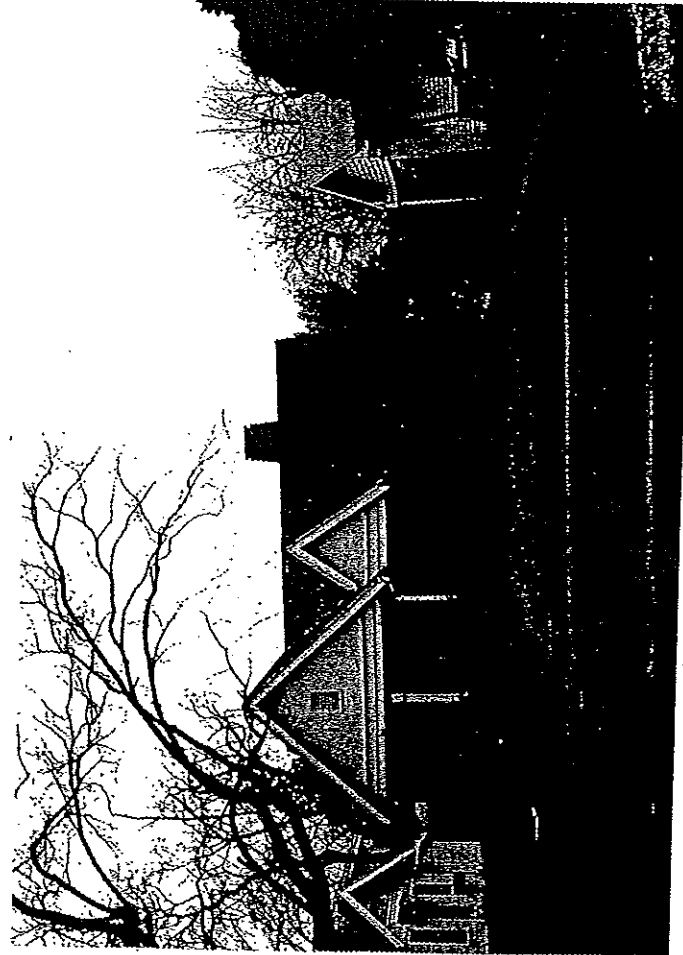
## Comparable 1

3721 TRICE  
Prox. to Subject 7 BLOCKS  
Sale Price 51,000  
Gross Living Area 1,422  
Total Rooms 7  
Total Bedrooms 3  
Total Bathrooms 1  
Location SWEETBRIAR  
View RESIDENTIAL  
Site 8,512 SF  
Quality AVERAGE  
Age 51/15



## Comparable 2

3425 PARROTT  
Prox. to Subject 3 BLOCKS  
Sale Price 42,000  
Gross Living Area 1,286  
Total Rooms 6  
Total Bedrooms 3  
Total Bathrooms 1  
Location HIGHLAND  
View RESIDENTIAL  
Site 10,675 SF  
Quality AVERAGE  
Age 54/15



## Comparable 3

3210 PARROTT  
Prox. to Subject 1 BLOCK  
Sale Price 44,900  
Gross Living Area 1,260  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 1  
Location HIGHLAND  
View RESIDENTIAL  
Site 8,250 SF  
Quality AVERAGE  
Age 74/20



**ENVIRONMENTAL ADDENDUM**  
**APPARENT\* HAZARDOUS SUBSTANCES AND/OR DETRIMENTAL ENVIRONMENTAL CONDITIONS**

Borrower/Client UNKNOWN  
 Address 3123 LASKER  
 City WACO County MCLENNAN State TX Zip code 76707  
 Lender TEPE CORPORATION

\*Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.

This universal Environmental Addendum is for use with any real estate appraisal. Only the statements which have been checked by the appraiser apply to the property being appraised.

This addendum reports the results of the appraiser's routine inspection of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. **The appraiser is not an expert environmental inspector and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety and value of the property.** It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

**DRINKING WATER**

- Drinking Water is supplied to the subject from a municipal water supply which is considered safe. However the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.
- Drinking Water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate pure water.
- Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.
- The value estimated in this appraisal is based on the assumption that there is an adequate supply of safe, lead-free Drinking Water.

Comments \_\_\_\_\_

**SANITARY WASTE DISPOSAL**

- Sanitary Waste is removed from the property by a municipal sewer system.
- Sanitary Waste is disposed of by a septic system or other sanitary on site waste disposal system. The only way to determine that the disposal system is adequate and in good working condition is to have it inspected by a qualified inspector.
- The value estimated in this appraisal is based on the assumption that the Sanitary Waste is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system in good condition.

Comments \_\_\_\_\_

**SOIL CONTAMINANTS**

- There are no apparent signs of Soil Contaminants on or near the subject property (except as reported in Comments below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.
- The value estimated in this appraisal is based on the assumption that the subject property is free of Soil Contaminants.

Comments \_\_\_\_\_

**ASBESTOS**

- All or part of the improvements were constructed before 1979 when Asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable Asbestos is to have it inspected and tested by a qualified asbestos inspector.
- The improvements were constructed after 1979. No apparent friable Asbestos was observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no uncontained friable Asbestos or other hazardous Asbestos material on the property.

Comments \_\_\_\_\_

**POSSIBLE POLYCHLORINATED BIPHENYLS**

- There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as reported in Comments below).
- There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there are no uncontained PCBs on or nearby the property.

Comments \_\_\_\_\_

**RADON**

- The appraiser is not aware of any Radon tests made on the subject property within the past 12 months (except as reported in Comments below).
- The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of Radon or Radium.
- The appraiser is not aware of any nearby properties (except as reported in Comments below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.
- The value estimated in this appraisal is based on the assumption that the Radon level is at or below EPA recommended levels.

Comments \_\_\_\_\_

## MULTI-PURPOSE SUPPLEMENTAL ADDENDUM FOR FEDERALLY RELATED TRANSACTIONS

b&amp;b enterprises

Borrower/Client UNKNOWN	State TX
Property Address 3123 LASKER	Zip Code 76707
City WACO	
County MCLENNAN	
Lender TEPE CORPORATION	

This Multi-Purpose Supplemental Addendum for Federally Related Transactions was designed to provide the appraiser with a convenient way to comply with the current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of Currency (OCC), The Office of Thrift Supervision (OTS), the Resolution Trust Corporation (RTC), and the Federal Reserve.

**This Multi-Purpose Supplemental Addendum is for use with any appraisal. Only those statements which have been checked by the appraiser apply to the property being appraised.**

**PURPOSE & FUNCTION OF APPRAISAL**

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for lending purposes. This is a Federally related transaction.

**EXTENT OF APPRAISAL PROCESS**

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.

The Reproduction-Cost is based on MARSHALL & SWIFT HANDBOOK WHICH IS supplemented by the appraiser's knowledge of the local market.

Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.

The subject property is located in an area of primarily owner-occupied single family residences and the Income Approach is not considered to be meaningful. For this reason, the Income Approach was not used.

The Estimated Market Rent and Gross Rent Multiplier utilized in the Income Approach are based on the appraiser's knowledge of the subject market area. The rental knowledge is based on prior and/or current rental rate surveys of residential properties. The Gross Rent Multiplier is based on prior and/or current analysis of prices and market rates for residential properties.

For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.

**SUBJECT PROPERTY OFFERING INFORMATION**

According to MLS SYSTEM

the subject property.

has not been offered for sale in the past 30 days.

is currently offered for sale for \$ 51000

was offered for sale within the past 30 days for \$

Offering information was considered in the final reconciliation of value.

Offering information was not considered in the final reconciliation of value.

Offering information was not available. The reasons for unavailability and the steps taken by the appraiser are explained later in this addendum.

**SALES HISTORY OF SUBJECT PROPERTY**

According to SELLER

the subject property.

has not transferred in the past twelve months.

has transferred in the past twelve months.

All prior sales which have occurred in the past twelve months are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.

Date	Sales Price	Document #	Seller	Buyer

**FEMA FLOOD HAZARD DATA**

Subject property is not located in a FEMA Special Flood Hazard Area.

Subject property is located in a FEMA Special Flood Hazard Area.

Zone	FEMA Map/Panel #	Map Date	Name of Community
C	480461 H&I-03	11/02/77	WACO

The community does not participate in the National Flood Insurance Program.

The community does participate in the National Flood Insurance Program.

It is covered by a regular program.

It is covered by an emergency program.



**USTS UNDERGROUND STORAGE TANKS**

- There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.
- There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).
- There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST Inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.
- The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.

Comments \_\_\_\_\_

**NEARBY HAZARDOUS WASTE SITES**

- There are no apparent Hazardous Waste Sites on the subject property or nearby the subject property (except as reported in Comments below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more Hazardous Waste Sites on or in the area of the subject property.
- The value estimated in this appraisal is based on the assumption that there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property.

Comments \_\_\_\_\_

**UREA FORMALDEHYDE UFFI INSULATION**

- All or part of the improvements were constructed before 1982 when UREA foam insulation was a common building material. The only way to be certain that the property is free of UREA formaldehyde is to have it inspected by a qualified UREA formaldehyde inspector.
- The improvements were constructed after 1982. No apparent UREA formaldehyde materials were observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no significant UFFI insulation or other UREA formaldehyde material on the property.

Comments \_\_\_\_\_

**LEAD PAINT**

- All or part of the improvements were constructed before 1980 when Lead Paint was a common building material. There is no apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as reported in Comments below). The only way to be certain that the property is free of surface or subsurface Lead Paint is to have it inspected by a qualified inspector.
- The improvements were constructed after 1980. No apparent Lead Paint was observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no flaking or peeling Lead Paint on the property.

Comments \_\_\_\_\_

**AIR POLLUTION**

- There are no apparent signs of Air Pollution at the time of the inspection nor were any reported (except as reported in Comments below). The only way to be certain that the air is free of pollution is to have it tested.
- The value estimated in this appraisal is based on the assumption that the property is free of Air Pollution.

Comments \_\_\_\_\_

**WETLANDS/FLOOD PLAINS**

- The site does not contain any apparent Wetlands/Flood Plains (except as reported in Comments below). The only way to be certain that the site is free of Wetlands/Flood Plains is to have it inspected by a qualified environmental professional.
- The value estimated in this appraisal is based on the assumption that there are no Wetlands/Flood Plains on the property (except as reported in Comments below).

Comments \_\_\_\_\_

**MISCELLANEOUS ENVIRONMENTAL HAZARDS**

- There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
- Excess Noise \_\_\_\_\_
- Radiation + Electromagnetic Radiation \_\_\_\_\_
- Light Pollution \_\_\_\_\_
- Waste Heat \_\_\_\_\_
- Acid Mine Drainage \_\_\_\_\_
- Agricultural Pollution \_\_\_\_\_
- Geological Hazards \_\_\_\_\_
- Nearby Hazardous Property \_\_\_\_\_
- Infectious Medical Wastes \_\_\_\_\_
- Pesticides \_\_\_\_\_
- Others (Chemical Storage + Storage Drums, Pipelines, etc.) \_\_\_\_\_

- The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.

When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.

**CURRENT SALES CONTRACT**

- The subject property is currently not under contract.
  - The contract and/or escrow instructions were not available for review. The unavailability of the contract is explained later in the addenda section.
- The contract and/or escrow instructions were reviewed. The following summarizes the contract:

Contract Date	Amendment Date	Contract Price	Seller
			TEPE CORP

The contract indicated that personal property was not included in the sale.  
 The contract indicated that personal property was included. It consisted of

Estimated contributory value is \$ \_\_\_\_\_

- Personal property was not included in the final value estimate.
- Personal property was included in the final value estimate.
- The contract indicated no financing concessions or other incentives.
- The contract indicated the following concessions or incentives:

if concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.

- MARKET OVERVIEW** Include an explanation of current market conditions and trends.

3 TO 6 months is considered a reasonable marketing period for the subject property based on PAST SALES

**ADDITIONAL CERTIFICATION**

The Appraiser certifies and agrees that:


- (1) The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply.
- (2) Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- (3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

**ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS**

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

**ADDITIONAL COMMENTS**

**APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Appraiser's Signature   
 Appraiser's Name (print) BOB CHITTENDEN Effective Date 03/05/01 Date Prepared 2 NOV  
 State TX  License  Certification # TX-1327510-R Phone # ( )  
 Tax ID # \_\_\_\_\_

**CO-SIGNING APPRAISER'S CERTIFICATION**

The co-signing appraiser has personally inspected the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser.

The co-signing appraiser has not personally inspected the interior of the subject property and has not inspected the exterior of the subject property and all comparable sales listed in the report.

The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes the level of inspection performed by the co-signing appraiser.

The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.

**CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Co-Signing Appraiser's Signature \_\_\_\_\_ Effective Date \_\_\_\_\_ Date Prepared \_\_\_\_\_  
 Co-Signing Appraiser's Name (print) \_\_\_\_\_ Phone # ( ) \_\_\_\_\_  
 State \_\_\_\_\_  License  Certification # \_\_\_\_\_ Tax ID # \_\_\_\_\_

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an Identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, -express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer, consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:


1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:**

If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:** 3123 LASKER, WACO, TX 76707

**APPRAISER:****SUPERVISORY APPRAISER (only if required):**

Signature:  Signature: \_\_\_\_\_  
 Name: BOB CHITTENDEN Name: \_\_\_\_\_  
 Date Signed: 03/09/01 Date Signed: \_\_\_\_\_  
 State Certification #: TX-1327510-R State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_ or State License #: \_\_\_\_\_  
 State: TX State: \_\_\_\_\_  
 Expiration Date of Certification or License: 10/31/2001 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property